

Council Policy – Purchasing and Procurement

Responsible Directorate	Office of the Deputy Chief Executive Officer
Responsible Business Unit/s	Procurement
Responsible Officer	Senior Procurement Officer
Affected Business Unit/s	All

Objective

The Shire of Ashburton (the Shire) is committed to delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance whereby establishing efficient, effective, economical, and sustainable procedures in all purchasing activities.

Scope

Applies to all relevant purchasing and procurement undertaken by, or on behalf of the Shire.

Policy Statement

1. Objectives

The Shire's purchasing activities will:

- a. achieve best value for money that may consider sustainable benefits, such as environmental, social, and local economic factors,
- b. foster economic development by maximising participation of local businesses in the delivery of goods and services,
- c. use consistent, efficient, and accountable purchasing processes and decision-making, including competitive quotation processes, assessment of best value for money for all purchasing activity, including tender exempt arrangements,
- d. apply fair and equitable competitive purchasing processes that engage potential suppliers impartially, honestly, and consistently,
- e. commit to probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest,
- f. comply with the *Local Government Act 1995*, *Local Government (Functions and General) Regulations 1996* (the Regulations), other relevant legislation, Codes of Practice, Standards and the Shire's policies and procedures,
- g. ensure purchasing outcomes contribute to efficiencies (time and resources) for the Shire of Ashburton,

- h. identify and manage risks arising from purchasing processes and purchasing outcomes in accordance with the Shire's Risk Management Framework,
- i. ensure records evidence purchasing activities in accordance with the *State Records Act 2000* and the Shire's Recordkeeping Plan, and
- j. ensure confidentiality that protects commercial-in-confidence information and only releases information where appropriately approved.

2. Ethics and integrity

The Shire's Codes of Conduct apply when undertaking purchasing activities and decision making, requiring elected members and employees to always observe the highest standards of ethics and integrity and act in an honest and professional manner.

The Shire is committed to a strong culture with sound governance and there is a zero tolerance approach to fraud and corruption. Procurement at all levels will be subject to periodic review and oversight.

3. Value for money

The Shire will apply value for money principles in critically assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

3.1 Assessing value for money

Value for money assessment will consider:

- a. all relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, and other costs such as, but not limited to, holding costs, consumables, deployment, training, maintenance, and disposal,
- b. the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality. This includes but is not limited to an assessment of compliances, the supplier's resource availability, capacity, and capability, value-adds offered, warranties, guarantees, repair and replacement policies and response times, ease of inspection and maintenance, ease of after sales service, ease of communications, etc,
- c. the supplier's financial viability and capacity to supply without the risk of default, including the competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history,
- d. a strong element of competition by obtaining enough competitive quotations consistent with this policy, where practicable,
- e. the safety requirements and standards associated with both the product design and the specification offered by suppliers and the evaluation of risk arising from the supply, operation, and maintenance,

- f. the environmental, economic, and social benefits arising from the goods, services or works required, including consideration of these benefits regarding the supplier's operations, in accordance with this policy and any other relevant policies including Council Policy – Regional Price Preference, and
- g. analysis and management of risks and opportunities that may be associated with the purchasing activity, potential supplier/s and the goods or services required.

4. Purchasing thresholds and practices

4.1 Defining the purchasing value

The Shire will apply reasonable and consistent methodologies to assess and determine purchasing values, which ensure:

- a. the appropriate purchasing threshold and practice is applied in all purchasing activities, and
- b. wherever possible, purchasing activity for the same category of supply is aggregated into single contract arrangements to achieve best value and efficiency in future purchasing activities where the requirements can be provided by a single supplier.

A category of supply can be defined as groupings of similar goods or services with common supply and demand drivers; market characteristics; or suppliers.

4.1.1 Strategic purchasing value assessments

The Shire will periodically review recent past purchasing activity across its operations to identify categories of supply for which the Shire will have continuing need, and which can be aggregated into single contract arrangements to achieve best value for money and efficiency in future purchasing activity.

The assessment of aggregated expenditure for the same category of supply capable of being supplied by a single supplier will determine the purchasing value threshold applicable to future purchasing activity. This assessment should apply to the maximum period of the contract.

4.1.2 Individual purchasing value assessments

In any case, where there is no relevant current contract, each purchasing activity is to assess the purchasing value based upon the following considerations:

- a. Exclusive of Goods and Services Tax (GST),
- b. The estimated total expenditure for the proposed supply including the value of all contract extension options and where applicable, the total cost of ownership considerations, and
- c. 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.

Requirements must not be split to avoid purchasing or tendering thresholds [F&G Reg.12].

The calculated estimated purchasing value will determine the applicable threshold and purchasing practice to be undertaken.

4.2 Table of purchasing thresholds and practices

4.2.1 Purchasing Practice Purchasing Value Thresholds

The purchasing value, assessed in accordance with clause 4.1, determines the purchasing practice to be applied to the Shire's purchasing activities.

All purchasing activities where a purchase order is to be raised, must have the purchase order raised prior to the goods and services being ordered. No goods or services contracts or agreements are to commence prior to the purchase order being provided to the supplier, this includes mobilisation, delivery or order of supplies by a supplier.

Procurement acronyms:

- Western Australian Local Government Association Preferred Supplier Program – WALGA PSP
- Western Australian Common Use Arrangement - CUA.

Purchase Value Threshold (ex GST)	Purchasing Practice	Evaluators
Up to \$9,999 (ex GST)	Obtain at least one (1) verbal or written quotation from a suitable supplier in accordance with the Supplier Order of Priority detailed in clause 4.2.2. The purchasing decision is to be evidenced in accordance with the Shire's Recordkeeping Plan.	Minimum of one internal evaluator
From \$10,000 and up to \$49,999 (ex GST)	<p>Seek at least two (2) written quotations and obtain at least (1) written quotation, from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 4.2.2, utilising VendorPanel, Go to Market module.</p> <p>If purchasing from a WALGA PSA, CUA or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.</p> <p>The purchasing decision is to be based upon assessment of the supplier's response to:</p> <ul style="list-style-type: none"> • a brief outline of the specified requirement for the goods; services or works required, and • value for money criteria, not necessarily the lowest price. 	Minimum of one internal evaluator

Purchase Value Threshold (ex GST)	Purchasing Practice	Evaluators
	<p>The purchasing decision may be evidenced using the Brief Evaluation Report Template retained in accordance with the Shire's Recordkeeping Plan.</p>	
<p>From \$50,000 and up to \$99,999 (ex GST)</p>	<p>Seek at least three (3) written quotations and obtain at least one (1) written quotation, from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 4.2.2, utilising VendorPanel, Go to Market and Evaluation modules.</p> <p>If purchasing from a WALGA PSA, CUA or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.</p> <p>The purchasing decision is to be based upon assessment of the suppliers' responses to:</p> <ul style="list-style-type: none"> • a brief written outline of the specified requirement for the goods; services or works required, and • value for money criteria, not necessarily the lowest quote. <p>The purchasing decision may be assessed using the Brief Evaluation Report Template and retained in accordance with the Shire's Recordkeeping Plan.</p>	<p>Minimum of two internal evaluators</p>
<p>From \$100,000 and up to \$249,999 (ex GST)</p>	<p>Seek at least three (3) written responses and obtain at least one (1) written quotation, from suppliers by invitation under a formal Request for Quotation via Tenderlink, VendorPanel or WALGA eQuotes in accordance with the Supplier Order of Priority detailed in clause 4.2.2. The purchasing decision is to be based upon assessment of the supplier's response to:</p> <ul style="list-style-type: none"> • a detailed written specification for the goods, services or works required, and • pre-determined selection criteria that assess all best and sustainable value considerations. <p>The procurement decision may be evidenced using the Evaluation Report template retained in accordance with the Shire's Recordkeeping Plan.</p> <p>Purchases in this threshold are to be undertaken by the Shire's Procurement Department.</p>	<p>Minimum of two internal evaluators.</p>

Purchase Value Threshold (ex GST)	Purchasing Practice	Evaluators
Over \$250,000 (ex GST)	<p>Tender exempt arrangements (i.e., WALGA PSA, CUA or other tender exemption under F&G Reg.11(2)) seek at least three (3) written responses and obtain at least one (1) written quotation from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 4.2.2.</p> <p>OR</p> <p>Public Tender undertaken in accordance with the <i>Local Government Act 1995</i> and relevant Shire policy and procedures.</p> <p>The tender exempt or public tender purchasing decision is to be based on the supplier's response to:</p> <ul style="list-style-type: none"> • A detailed written specification, and • Pre-determined selection criteria that assess all best and sustainable value considerations. <p>The purchasing decision must be evidenced using the Evaluation Report template and be retained in accordance with the Shire's Recordkeeping Plan.</p> <p>Purchases in this threshold are to be undertaken by the Shire's Procurement Department.</p>	Minimum of three internal evaluators, Shire staff are to outweigh external evaluators.
Emergency Purchases (within budget) Refer to Clause 4.3	<p>Where goods or services are required for an emergency response and are within scope of an established panel of pre-qualified suppliers or existing contract, the emergency supply must be obtained from the panel or existing contract using relevant unallocated budgeted funds.</p> <p>If there is no existing panel or contract, then clause 4.2.2 Supplier Order of Priority will apply wherever practicable.</p> <p>However, where due to the urgency of the situation; a contracted or tender exempt supplier is unable to provide the emergency supply.</p> <p>OR</p> <p>Compliance with this policy would cause unreasonable delay, the supply may be obtained from any supplier capable of providing the emergency supply.</p> <p>However, an emergency supply is only to be obtained to the extent necessary to facilitate the urgent emergency response and must be subject to due consideration of best value and sustainable practice. The rationale for policy non-compliance and the purchasing decision must be evidenced in accordance with the Shire's Recordkeeping Plan.</p>	

Emergency Purchases (no budget allocation available) Refer for Clause 4.3	<p>Where no relevant budget allocation is available for an emergency purchasing activity then, in accordance with section 6.8 of the <i>Local Government Act 1995</i>, the President must authorise, in writing, the necessary budget adjustment prior to the expense being incurred.</p> <p>The CEO is responsible for ensuring that an authorised emergency expenditure under section 6.8 of the <i>Local Government Act 1995</i> is reported to the next Ordinary Council Meeting. The purchasing practices prescribed for Emergency Purchases (within budget) above, then apply.</p>
LGIS Services section 9.58(6)(b) <i>Local Government Act 1995</i>	<p>The suite of LGIS insurances is established in accordance with section 9.58(6)(b) of the <i>Local Government Act 1995</i> and are provided as part of a mutual, where WALGA member local governments are the owners of LGIS.</p> <p>Therefore, obtaining LGIS insurance services is available as a member-base service and is not defined as a purchasing activity subject to this policy.</p> <p>Should Council resolve to seek quotations from alternative insurance suppliers, compliance with this policy is required.</p>

4.2.2 Supplier order of priority

The Shire may consider and apply, the following supplier order of priority as guide:

Priority	Threshold Description
Priority 1	<p>Existing pre-qualified supplier panel or other contract</p> <p>Current contracts, including a Panel of Prequalified Suppliers or contracted supplier, must be used where the Shire's supply requirements can be met through the existing contract.</p>
Priority 2	<p>Local suppliers</p> <p>Where the purchasing value does not exceed the tender threshold and a relevant local supplier can provide the required supply, the Shire will ensure that wherever possible quotations are obtained from local suppliers permanently located within the Shire as a first priority, and those permanently located within Shires as detailed in the Regional Price Preference Policy as the second priority.</p>
Priority 3	<p>Tender exempt – WALGA Preferred Supplier Arrangement (PSA)</p> <p>Use a relevant WALGA PSA regardless of whether the purchasing value will exceed the tender threshold. However, if a relevant PSA exists but an alternative supplier is considered to provide best value, then the CEO, or an officer authorised by the CEO, must approve the alternative supplier. Reasons for not using a PSA may include:</p>

Priority	Threshold Description
	<p>a. Local supplier availability (that are not within the PSA); or,</p> <p>b. Social procurement – preference to use Aboriginal business or Disability Enterprise.</p> <p>Tender exempt - WA State Government Common Use Arrangement (CUA)</p> <p>Use a relevant CUA regardless of whether the purchasing value will exceed the tender threshold. However, if a relevant CUA exists, but an alternative supplier is considered to provide best value for money, then the proposed alternative supplier must be approved by the CEO, or an officer authorised by the CEO. If no relevant CUA is available, then a tender exempt [F&G Reg.11(2)] arrangement may be used.</p> <p>Other Exempt arrangement [F&G Reg. 11(2)]</p> <p>Regardless of whether the purchasing value will exceed the tender threshold, the Shire will investigate and seek quotations from tender exempt suppliers, and will specifically ensure that wherever possible, quotations are obtained from a WA Disability Enterprise and/or an Aboriginal Owned Business that is capable of providing the required supply. However, the Shire may not use a tender exempt supplier if the supplier cannot provide the required supply to a standard acceptable to the Shire, or the Shire is not satisfied that using a tender exempt supplier presents value for money.</p>
Priority 4	<p>Other suppliers</p> <p>Where there is no relevant existing contract or tender exempt arrangement available, purchasing activity from any other supplier is to be in accordance with relevant purchasing value threshold and purchasing practice specified in table 4.2.1.</p>

4.3 Emergency purchases

Emergency purchases are defined as the supply of goods or services associated with a:

- a. local emergency and the expenditure is required (within existing budget allocations) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets, or
- b. local emergency and the expenditure is required (with no relevant available budget allocation) to respond to an imminent risk to public safety, or to protect or make safe property or infrastructure assets in accordance with section 6.8 of the *Local Government Act 1995* and regulation 11(2) of the Regulations, or

- c. State of Emergency declared under the *Emergency Management Act 2005* and therefore, regulation 11(2)(aa), (ja) and (3) of the Regulations apply to vary the application of this policy.

Time constraints, administrative omissions and errors do not qualify for definition as an emergency purchase. Instead, every effort must be made to research and anticipate purchasing requirements in advance and to allow sufficient time for planning and scoping proposed purchases and to then obtain quotes or tenders, as applicable.

4.4 Inviting tenders though not required to do so

The Shire may determine to invite public tenders, despite the estimated purchase value being less than the \$250,000 prescribed tender threshold, but only where an assessment determines that the purchasing requirement cannot be met through a tender exempt arrangement and the use of a public tender process will enhance, value for money, efficiency, risk mitigation and sustainable procurement benefits.

In such cases, the tender process must comply with the legislative requirements and the Shire's tendering procedures [F&G Reg.13].

4.5 Purchasing exemptions

In addition to the regulatory tender exemptions for purchasing as set out in regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*, the following are further exemptions where the Shire is not required to undertake a competitive purchasing process:

- Advertising of employment opportunities at the Shire.
- Advance/prior payment of services (accommodation, travel, seminars, training, conferences, seminars).
- Purchasing of training services or training courses arranged by the Shire's Organisational Development department.
- Pre-employment medicals and staff medical services if arranged by the Shire's Organisational Development department.
- Annual renewals for software maintenance, support, and licensing fees, limited to \$25,000 per annum, per product licence renewal.
- Engagement of artists or performers for one-off community event occurrences.
- Legal services (conducted using the WALGA preferred supplier panel arrangement).
- Annual professional memberships and subscriptions.
- Provision of advertising services including mandated state-wide public notices (conditional to the WALGA PSA's and State CUA's) and digital advertising.

- Provision of temporary personnel (conducted using the WALGA preferred supplier panel arrangement) (CEO approval required for any contract exceeding or extended beyond three (3) months).
- Provision of utility services (where the relevant utility or nominated Supplier is the only provider of such services).
- Government rates, statutory licences or statutory registration fees (e.g. vehicle registration).
- Postage from National supplier.
- Banking fees and costs.
- Insurance payments to Local Government Insurance Services Western Australian (LGISWA), including insurance excess.
- Light fleet (conditional to WALGA PSA's and State CUA's), if purchased by Fleet Management department.
- Proprietary consumables, parts and maintenance for existing equipment where there is no substitute or warranty is voided if a substitute is used.

4.6 Expressions of interest

Expressions of Interest (EOI) will be considered as a prerequisite to a tender process [F&G Reg.21] where the required supply evidence one or more of the following criteria:

- Unable to sufficiently scope or specify the requirement,
- There is significant variability for how the requirement may be met,
- There is potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be obtained, specified, created, or delivered,
- Subject to a creative element, or
- Provides a procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.

All EOI processes will be based upon qualitative and other non-price information only.

4.7 Unique nature of supply (sole supplier)

An arrangement with a supplier based on the unique nature of the goods or services required or for any other reason, where it is unlikely that there is more than one potential supplier may only be approved where the Shire can evidence that there is only one source of supply. The Shire must conduct market research to determine that a sole source of supply genuinely exists and only one potential supplier has been identified as capable of meeting the purchase requirement.

Authority to approve a sole supplier is in accordance with Council's Delegated Authority Register.

4.8 Anti-avoidance

The Shire will not conduct multiple purchasing activities 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.

4.9 Contract renewals, extensions and variations

Where a contract has been entered into as the result of a publicly invited tender process, regulation 21A of the Regulations applies.

For any other contract, the contract must not be varied unless:

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

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.

5. Sustainable procurement

The Shire is committed to implementing sustainable procurement by providing a preference to suppliers that demonstrate sustainable business practices (social advancement, environmental protection and local economic benefits). Sustainable procurement can be demonstrated as being internally focussed (i.e. operational environmental efficiencies or employment opportunities and benefits relating to special needs), or externally focussed (i.e. initiatives such as corporate philanthropy). Requests for quotation and tenders may include a request for suppliers to provide information regarding their sustainable practices and/or demonstrate that their product or service offers enhanced sustainable benefits.

5.1 Local economic benefit

The Shire promotes economic development through the encouragement of competitive participation in the delivery of goods and services by local suppliers permanently located within the Shire first, and secondly, those permanently located within its surrounding Shire's. The Shire will apply a regional price preference when undertaking all purchasing activities over \$50,000 in accordance with the policy adopted at that time.

5.2 Socially sustainable procurement

The Shire will support the purchasing of requirements from socially sustainable suppliers such as Australian Disability Enterprises and Aboriginal businesses wherever a value for money assessment demonstrates benefit towards achieving the Shire's strategic and operational objectives.

5.3 Environmentally sustainable procurement

The Shire will support the purchasing of recycled and environmentally sustainable products whenever a value for money assessment demonstrates benefit toward achieving the Shire's strategic and operational objectives.

6. Panels of pre-qualified suppliers

6.1 Objectives

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.

6.2 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 several 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 Chief Executive Officer (CEO)/Deputy Chief Executive Officer/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.

6.3 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 items of work. Contracts under the pre-qualified panel will be awarded based on 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 regulation 24AD(5)(f) of the Regulations 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 clause 4.2.2 of this policy.
 - iv. When a ranking system is established, the panel will not operate for a period exceeding 12 months.

- v. 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.

6.4 Purchasing from the panel

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 panel member (within each category, if applicable) of the panel for each purchasing requirement, whether a ranking system is to be established, or otherwise.

6.5 Communications 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 in accordance with the Shire's Recordkeeping Plan. 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.

7. Recordkeeping

All local government purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the *State Records Act 2000* and the Shire's Recordkeeping Plan. 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.

8. Policy non-compliance

This policy is mandated under the *Local Government Act 1995* and regulation 11A of the Regulations and therefore the policy forms part of the legislative framework in which the local government is required to conduct business.

Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision-making processes that substantiate the non-compliance. Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the Shire's policies and procedures.

If non-compliance with; legislation, this policy, or the Codes of Conduct, is identified it must be reported to the CEO or the Deputy Chief Executive Officer.

A failure to comply with legislation or policy requirements, including compliance with the Codes of Conduct when undertaking purchasing activities, may be subject to investigation, with findings to be considered in context of the responsible person's training, experience, seniority, and reasonable expectations for performance of their role.

Where a breach is substantiated, it may be treated as:

- a. an opportunity for additional training to be provided,
- b. a disciplinary matter, which may or may not be subject to reporting requirements under the *Public Sector Management Act 1994*, or
- c. where the breach is also identified as potentially serious misconduct, the matter will be reported in accordance with the *Corruption, Crime and Misconduct Act 2003*.

Definitions

Codes of Conduct includes both the Code of Conduct for Council Members, Committee Members and Candidates and the Employee Code of Conduct

Panel members are suppliers appointed to a panel of pre-qualified suppliers.

Panel of pre-qualified suppliers means a panel of pre-qualified suppliers of goods or services established in accordance with the Divisions 3 of the Regulations.

Pre-qualified supplier means a supplier who is part of a pre-qualified supplier panel for the supply of goods or services.

Relevant policies/documents

Council Policy – Regional Price Preference
 Organisational Practice – Authority to purchase or procure
 OCEO 067 – Contract variation request form
 OCEO 068 – Contract Variation Agreement
 Shire of Ashburton Recordkeeping Plan
 Code of Conduct for Council Members, Committee Members and Candidates
 Employee Code of Conduct

Relevant legislation/local laws

Local Government Act 1995
 Section 6.5(a) Accounts and Records
 Section 3.57 Tenders for providing goods and services
Local Government (Financial Management) Regulations 1996
Local Government (Functions and General) Regulations 1996

Office use only				
Relevant delegations	01.01.14 Tenders for Goods and Services			
Council adoption	Date	13 December 2022	Resolution #	171/2022
	Date	16 July 2024	Resolution #	138/2024
Reviewed/modified	Date	18 March 2025	Resolution #	028/2025
	Date	19 August 2025	Resolution #	152/2025
	Date		Resolution #	
	Date		Resolution #	
Next review due	Date	2027		