



Schedule 3.1(b): Purchasing Thresholds and Requirements

1. Purchasing Thresholds

The value of a purchase is not limited to the financial year when the purchase was initiated, but may be over several financial years depending on the procurement or type of contract.

Records where required or obtained, the following are to be attached to the purchase order:

- a) Note of verbal specification and submission;
- b) Specification required, assessment criteria set, summary of submissions, evaluation made.

General purchasing thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is anticipated.

Anticipated Value of Purchase Excl. GST	Requirement	Documentation	Evaluation Panel
Less than \$1,500	Quotations not required for items of minor recurrent nature, such as groceries, stationery, hardware, mechanical, reticulation consumables etc Employee must be satisfied that the price is competitive	None	One Employee
\$1,500 to less than \$5,000	Seek two verbal quotations Written quotations recommended but not required	Required Note of verbal quotations received Recommended Written quotations received	One Employee
\$5,000 to less than \$25,000	Seek two written quotations	Required Written quotations	One Employee
\$25,000 to less than \$50,000	Seek three written quotations	Required Written quotations received Recommended <ul style="list-style-type: none"> • Written specifications • Assessment criteria • Evaluation panel 	Two Employees
\$50,000 to less than \$150,000	Seek three written quotations containing price and specification of goods and services	Required <ul style="list-style-type: none"> • Written specification • Written assessment criteria • Written quotations received • Evaluation panel 	Two Employees



\$150,000 and above	Conduct a public tender process or WALGA Preferred Supplier / State Government Common Use Agreement Refer to Council for decision unless prior delegation to CEO	Required <ul style="list-style-type: none"> • Written specification • Written assessment criteria • Written quotations received • Evaluation panel 	Two Employees or One Employee and One external person
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WALGA Preferred Supplier or State Government Common Use Agreement Thresholds

Less than \$150,000	As per General threshold	As per General Thresholds	As per General Thresholds
\$150,000 and above	Seek three written quotations containing price and specification of goods and services. Refer to Council for decision unless prior delegation to CEO	As per General Thresholds	As per General Thresholds

NOTES

Any work done under warranty / guarantee is not considered to be a purchasing activity, but is a part of the original contract or agreement to purchase.

1. Any work done outside of warranty / guarantee, even if it may affect warranty / guarantee, is a purchasing activity.
2. Management of that risk is an administrative task, and may be a factor in a “value for money” consideration.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for contracts of less than \$150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

2. Quotations/Submissions

1. If required or appropriate, any Evaluation Panel is to be established prior to the request for submissions. The Panel is to consist of a mix of skills and experience relevant to the nature of the purchase. The Panel is to assess the submissions against the specifications set, the assessment criteria, value for money, local price preference and any other relevant matter.
2. Where required and prior to submissions being requested, the specifications for the procurement and the assessment criteria for determining the procurement are to be determined in writing.
 - For quotations – by the purchasing officer, and approved by the relevant Manager within their approved purchasing limits, otherwise by the CEO
 - For tenders – by the purchasing officer, approved by the relevant Manager, and authorised by the CEO under delegated authority.



3. The general principles relating to written quotations / submission are:

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

The Local Government Purchasing and Tender Guide produced by the Western Australian Local Government Association (WALGA) should be consulted for further details and guidance.

3. Specifications, Assessment Criteria and Evaluation

Specifications

Applies to all procurements as determined by the thresholds in clause 1:

A. Where a specification is provided or required by clause 1, the specification may include:

- Details, format and request to be appropriate to the procurement
- How many / how much
- What size / power etc
- How fitted out
- Standard / quality required
- Type of construction
- Where the work / product is to be delivered etc.

B. If a written specification has been issued the assessment criteria is to be included in the written specification.



Assessment Criteria

Assessment criteria are to be determined prior to evaluation i.e. how the submission is to be assessed and scored, and may include:

- Details and record to be appropriate to the procurement
- Local provider or external
- Standard of work, quality of item
- Reliability, service, warranty
- References
- Price etc

Evaluation

After close of the submission period, an evaluation is to be made based on the following i.e. how the submission was actually assessed and scored:

- To what extent was each specification met
- How does the submission measure against each criteria
- Which score provides best value for money

Schedule Ends _____