

# PROCUREMENT POLICY



*Policy Owner:* CEO  
*Reviewed and Approved:* October 2023

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## 1. PURPOSE

The purpose of the Trustee's Procurement Policy is to provide a framework for the procurement of goods and services by the Trustee.

This Policy aims to:

- promote fair and open competition and seek value for money (not limited to price) for the Trustee;
- promote honesty and equity in the treatment of suppliers of goods and services;
- ensure efficient and effective processes to facilitate the accountable procurement of goods and services for the Trustee;
- establish and maintain procedures to ensure that fair and equal consideration is given to quotations received; and
- protect commercial-in-confidence information.

All procurement decisions will consider sustainable and ethical principles including managing the risk of modern slavery and maximising the opportunity for local suppliers.

This Policy is to be read in conjunction with, and forms part of, the Trustee's Code for Tenders and Contracts. It should also be read in the context of Southern Waste Solutions (SWS) managing the Trustee's business.

## 2. SCOPE

This policy applies to all procurement activities carried out for the Trustee, including those carried out by external parties on behalf of the Trustee.

Tendering processes are described in the Code for Tenders and Contracts (Code). If any detail within the Code differs from this Policy, the details in the Code take precedence.

## 3. DEFINITIONS

**Authorised Officer** is a SWS employee authorised to perform financial duties, as determined by the SWS Delegations Matrix.

**Trustee** means the Trustee of the C Cell Unit Trust (i.e. Southern Waste Solutions).

## 4. POLICY

### 4.1. QUOTATION REQUIREMENTS - GENERAL

Quotation requirements apply to all the Trustee's procurement of goods and services. Procurement of goods and services valued at or above \$250,000 (excluding GST) will be undertaken through the tendering processes, described in the Code.

All quotations received are to be treated as commercial-in-confidence and the details of quotations are not to be disclosed to any third party.

In accepting a late quotation, the Trustee must ensure that there has not been an advantage provided to that party over other quoting parties.

Procuring goods and/or services should not be delayed when it can be demonstrated that quotations have been sought but insufficient quotations could be obtained due to:

- limited availability of supplies/suppliers;
- unavailability of contractor or supplier; or
- non-response to quotation requests.

In such cases, detail of the circumstances is to be documented and the procurement is to proceed on the quotation(s) provided within the allocated reasonable timeframes.

## **4.2. PROCUREMENT THRESHOLDS**

There are four procurement thresholds (GST exclusive):

- Between \$1,000 and \$5,000
- Between \$5,000 and \$49,999.99
- Between \$50,000 and \$249,999.99
- \$250,000 and above.

A purchase order or contract must be in place for all purchases over \$10,000, signed by an Authorised Officer as determined by the SWS Delegations Matrix.

The following outlines the details of the thresholds and summarises the procurement processes to be applied for each procurement threshold. These requirements will be applied to the procurement of all goods and services except in certain identified circumstances, as described under Section 4.4 Exemptions and Section 4.5 Preferred Suppliers.

### **4.2.1 Purchases between \$1,000 and \$5,000 (GST exclusive)**

One verbal or written quotation is to be sought and recorded in the Trustee's record management system.

### **4.2.2 Purchases between \$5,000 and \$49,999.99 (GST exclusive)**

Two verbal or written quotations are to be sought and recorded in the Trustee's record management system.

### **4.2.3 Purchases between \$50,000 and \$249,999.99 (GST exclusive)**

At least three written quotations must be sought. These quotations can be obtained by direct contact with potential suppliers. Where it is deemed necessary to fulfil the Trustee's purchasing objectives, public tenders may be invited.

### **4.2.4 Purchases \$250,000 and above (GST exclusive)**

The Trustee must invite tenders for any procurement of goods or services valued at or over \$250,000 (GST exclusive). The Trustee's Code for Tenders and Contract must be applied.

### **4.3. ACCEPTANCE OF QUOTATIONS**

In all instances, quotations obtained must be assessed fairly and without prejudice. Assessment criteria, specified in Section 4.1.1 of the Code can be applied as a guide. Acceptance of quotations must be approved by the Authorised Officer.

Where the accepted quotation is 10 per cent or more greater than the lowest quote received, acceptance must be authorised by the next most senior employee (refer to SWS' Delegations Matrix).

### **4.4. EXEMPTIONS**

SWS' Chief Executive Officer (CEO) may authorise non-compliance with the quotation process outlined in this policy where the goods and services sought cost less than \$250,000 (excluding GST) and relate to:

- an emergency if, in the opinion of SWS' CEO, there is insufficient time to obtain quotations for the goods or services required in that emergency;
- a contract for goods or services obtained through, or supplied or provided by an agency of a State or of the Australian Government;
- a contract for goods or services supplied or provided by a council, a single authority, a joint authority or the Local Government Association of Tasmania;
- a contract for goods or services in respect of which a council is exempted under another Act from the requirement to obtain quotations;
- a contract arising when the Trustee is directed to acquire goods or services due to a claim made under a contract of insurance;
- a contract for goods or services that is entered into at public auction; or
- a contract of employment with a person as an employee of the Trustee.

The exercise of these exceptions must be clearly documented, and where appropriate justified in writing on the purchase order and/or elsewhere as appropriate. SWS' CEO is to report any use of these exemptions to the Board of the Trustee.

Goods and services that are required with genuine emergency include the following circumstances:

- in the case of a natural disaster;
- a risk to employee safety;
- a risk to contractor, customer or public safety;
- the security of the Trustee's premises;
- an environmental risk; or
- a risk to the Trustee's assets.

SWS' CEO may determine the relevance of similar emergency circumstances under the emergency exemption category.

### **4.5. PREFERRED SUPPLIERS**

It is recognised that circumstances may exist where the Trustee is best served by the provision of goods and services by preferred suppliers. These circumstances will usually be limited to

specialised goods and services. Under the following circumstances, the purchase of goods and services of less than \$250,000 may be made by obtaining only one quotation:

- where it can be established that there is only one supplier of a particular product or service and there is not appropriate substitute available, or where alternative options are not suitable or do not provide value for money;
- where there is an existing contract between the Trustee and the supplier for the supply of related products or services;
- where an original product or service was selected through an open tender process and the request for exemption relates to the proposed purchase of an upgrade or addition to an existing asset or system, and there are limited supply options;
- the product is being tested/trialled to assist in the evaluation of its performance prior to a large-scale purchase for which open tenders will be called;
- to assist in the development of a new product/process in conjunction with a private sector business;
- where the Department of Treasury and Finance has established whole-of-government contract for the supply of goods or services to agencies and other authorised organisations; or
- where the provision of goods and services are of a specialised nature that requires a high level of familiarity with the Trustee and its operation (e.g. specialist consultants, legal services, specific training needs, supplier of goods for emergency repairs, etc.).

Explanation as to why a preferred supplier is used for purchases of less than \$250,000 will be recorded in writing with approval by an Authorised Officer as specified in the SWS' Delegations Matrix.

Variations to a preferred supplier agreement must remain within the total cost of the project and must not result in the contract exceeding \$250,000.

## 5. RELATED POLICIES AND DOCUMENTS

- SWS Delegations Matrix
- Code for Tenders and Contracts
- *Local Government Act 1993 (Tas)*
- *Local Government (General) Regulations 2015 (Tas)*

## 6. FURTHER INFORMATION AND DATE OF REVIEW

Policy Owner	SWS CEO
Policy approved by	C Cell Board
Approval date	25 October 2023
Next review date (unless a need arises earlier)	October 2027

### Further information

Please contact Southern Waste Solutions on 03 6273 9712 or via email [info@swstas.com.au](mailto:info@swstas.com.au).