



Policy and Legislation Committee

# Agenda

Wednesday 20 March 2024

## *Our Vision*

Where environment, lifestyle and opportunity meet



## *Community Aspirations*



### KEY THEME 1

#### **Environment**

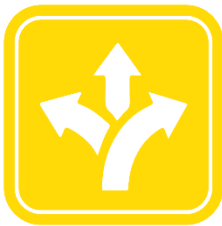
An environment that is valued, conserved and enjoyed by current and future generations.



### KEY THEME 2

#### **Lifestyle**

A place that is relaxed, safe and friendly, with services and facilities that support positive lifestyles and wellbeing.



### KEY THEME 3

#### **Opportunity**

A vibrant City with diverse opportunities and a prosperous economy.



### KEY THEME 4

#### **Leadership**

A Council that connects with the community and is accountable in its decision making.

**NOTICE OF MEETING**

**TO: THE MAYOR AND COUNCILLORS**

**NOTICE** is given that a meeting of the Policy and Legislation Committee will be held in the Council Chambers, Administration Building, Southern Drive, Busselton on 20 March 2024, commencing at 10:00am.

Your attendance is respectfully requested.

**DISCLAIMER**

Statements or decisions made at Council meetings or briefings should not be relied on (or acted upon) by an applicant or any other person or entity until subsequent written notification has been given by or received from the City of Busselton. Without derogating from the generality of the above, approval of planning applications and building permits and acceptance of tenders and quotations will only become effective once written notice to that effect has been given to relevant parties. The City of Busselton expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during a Council meeting or briefing.



**TONY NOTTLE**

**CHIEF EXECUTIVE OFFICER**

14 March 2024

### BEHAVIOUR PROTOCOLS

The City of Busselton values are:

- Listening
- Considered Decision Making
- Appreciation
- Respect
- Teamwork

In accordance with these values, the following outlines the behaviour expectations while attending a Council meeting, Committee meeting, Community Access Session, or Public Agenda Presentation:

- Listen respectfully through the meeting or presentation
- Respect the Council process and comply with directions from the Presiding Member
- Use respectful language when addressing Council, staff, and other members of the public
- Behave in a manner that is respectful and non-confrontational
- Do not use offensive language or derogatory language towards others

The City values the diverse input of the community and seeks to ensure that all members of the community can attend a meeting and have their say.

Elected Members, Committee members and Candidates are bound by the City's Code of Conduct and agree to uphold the values of the City of Busselton and principles of good behaviour, maintaining and contributing to a harmonious, safe, and productive environment.

Anyone who does not behave in accordance with the above values and behaviours may be asked by the Presiding Member to leave the gallery.

## CITY OF BUSSELTON

### Agenda for the Policy and Legislation Committee to be held on Wednesday 20 March 2024

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## 1 OFFICIAL OPENING

The City of Busselton welcomes Elected Members, staff, guests and members of the public to the Policy and Legislation Committee meeting of 20 March 2024.

The City of Busselton acknowledges the Wadandi and Bibbulmun people as the traditional custodians of this region and pay respects to Elders past and present.

Please note this meeting will be audio recorded for minute taking purposes.

## 2 ATTENDANCE

PRESIDING MEMBER	MEMBERS
Cr Kate Cox	Mayor Phill Cronin
	Cr Mikayla Love
	Cr Jodie Richards
	Cr Jarrod Kennedy

OFFICERS
Chief Executive Officer
Director Corporate Strategy and Performance
Director Infrastructure and Environment
Governance and Risk Coordinator
Governance Officer

APOLOGIES
Nil at time of publishing

### 3 DISCLOSURES OF INTEREST

#### DISCLOSURES OF FINANCIAL INTEREST

A declaration under section 5.65 of the *Local Government Act 1995* requires that the nature of the interest must be disclosed. An elected member or employee who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter on which the subject of the declaration without the approval of the Council in accordance with the Act.

#### DISCLOSURES OF IMPARTIALITY INTEREST

Elected members and employees are required, in addition to declaring any financial interest, to declare an interest that might cause or perceive to cause a conflict. If the elected member or employee declares that their impartiality will not be affected then they may participate in the decision-making process.

### 4 PUBLIC QUESTION TIME

#### 4.1 RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

#### 4.2 QUESTION TIME FOR PUBLIC

##### Public question time procedures and guidance

Public question time allows members of the public to participate in local government by asking questions of the Council in relation to issues affecting the City. It also assists the City in identifying issues of importance to the community and assists the public to be better informed about how the City is governed.

- The City will allocate a minimum of 15 minutes and a maximum of 30 minutes per Council meeting for public question time.
- Members of the public should register their intent to ask a question at a Council meeting by completing and submitting the [Public Question Time form](#) before 4pm the day prior to the relevant meeting.
- Members of the public will be invited to ask their question in order of registration.
- Questions will be limited to three per person. Additional questions may be permitted by the Presiding Member where time permits.
- Where a person is not present to ask their submitted question it will be responded to administratively as general correspondence.

- Questions may be taken on notice, to be responded to at a later time by the CEO in accordance with clause 6.7 of the Standing Orders.
- Public question time is for the tabling of questions, not for members of the community to make statements. For context, the Presiding Member may allow a short preamble.
- Questions containing defamatory remarks or offensive language, or that question the competency or personal affairs of Elected Members or employees may be ruled inappropriate by the Presiding Member subject to the Presiding Member taking reasonable steps to assist the member of the public to rephrase the question.
- There will be no debate or discussion on the response provided.

For further information, please see the [Meetings, Information Sessions and Decision Making Processes Policy](#).



## **5 CONFIRMATION AND RECEIPT OF MINUTES**

### **5.1 Policy and Legislation Committee 24 January 2024**

#### **RECOMMENDATION**

That the minutes of the Policy and Legislation Committee 24 January 2024 be confirmed as a true and correct record.

## 6 REPORTS

### 6.1 **Council Policy Review: Purchasing**

<b>Strategic Theme:</b>	Key Theme 3: Opportunity 3.2 Facilitate an innovative and diversified economy that supports local enterprise, business, investment and employment growth. Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Contract & Tendering Officer - Heather Sheppard
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Proposed Council Policy - Purchasing [6.1.1 - 6 pages] 2. Current Council Policy - Purchasing [6.1.2 - 7 pages]

### **OFFICER RECOMMENDATION**

**That the Council adopts the amended Council policy: ‘Purchasing Policy’ (Attachment 1) to replace the current policy.**

### **EXECUTIVE SUMMARY**

City officers reviewed the City’s existing Council policy: “Purchasing Policy” as part of the City’s ongoing policy review cycle. This report presents an amended Purchasing Policy (Attachment 1) to replace the current policy (Attachment 2).

### **STRATEGIC CONTEXT**

The Purchasing Policy is directed at guiding the City’s procurement practices and procedures, protecting the City’s interests and providing good governance by delivering governance systems that facilitate open, ethical, and transparent decision making, and responsible management of ratepayer funds.

### **BACKGROUND**

The Purchasing Policy provides the framework for purchasing decisions in relation to procurement of goods and services made by the City of Busselton. It defines the higher-level procedures that must be adhered to for purchasing depending on the value of the transactions. The Purchasing Policy was initially implemented in 2007 and, pursuant to an ongoing periodic review cycle, has regularly been updated, the last of which occurred in 2020.

It is a requirement to have a purchasing policy under regulation 11A of the *Local Government (Functions and General) Regulations 1996* (WA) (Regulations). The Regulations also requires a

written policy setting out the requirement for establishing panels of prequalified suppliers. The City has a combined Purchasing Policy to satisfy these requirements.

As part of the City's policy review cycle, City officers have completed a further review of the Purchasing Policy and recommend adoption by Council of the updated Purchasing Policy (Attachment 1).

## OFFICER COMMENT

City officers have not identified significant policy changes for the purchasing policy. To keep the Purchasing Policy contemporary and aligned with operational requirements, the following amendments however are proposed:

- Amend the Strategic Context to align with the City's (current) Strategic Community Plan 2021 – 2031;
- Reordering of procurement principles and the inclusion new subheadings for social and sustainable procurement, support local enterprise, business investment and employment growth and anti-avoidance requirements;
- Amended purchasing thresholds to take into account inflationary impacts, changes in market conditions and increases to the City's annual budget since the last policy review as follows:

*Table 1: Existing Purchasing Thresholds*

Amount of Purchase	Requirements
<b>Up to \$5,000</b>	Purchase directly from a suitable supplier after obtaining at least one (1) oral or written quotation from that supplier.
<b>\$5,001 - \$14,999</b>	Obtain at least two (2) written quotations from suitable suppliers following a brief outlining of the specified requirement.
<b>\$15,000 - \$49,999</b>	Obtain at least three (3) written quotations from suppliers following a brief outlining of the specified requirement.
<b>\$50,000 - \$249,999</b>	A Formal RFQ process must be followed by officers at this level of purchase. Officers must obtain at least three (3) written quotations from suppliers.

*Table 2: Proposed Purchasing Thresholds*

Amount of Purchase	Requirements
<b>Up to \$5,000</b>	Purchase directly from a suitable supplier after obtaining at least <b>one (1) written or oral quotation</b> .
<b>\$5,001 - \$24,999</b>	Invite quotations from suitably experienced and qualified suppliers to obtain at least <b>two (2) written quotations</b> .
<b>\$25,000 - \$74,999</b>	Invite quotations from suitably experienced and qualified suppliers to obtain <b>three (3) quotations</b> .

\$75,000 - \$249,999	<ul style="list-style-type: none"> <li>• Invite sufficient quotations from suitably experienced and qualified suppliers to obtain at least <b>three (3) written quotations</b>.</li> <li>• The request for quotation must include pre-determined evaluation criteria for assessment of quotations in accordance with relevant procurement principles and Operational Practices.</li> <li>• Quotations must be evaluated in writing by at least two (2) suitably qualified and experienced persons, one of which must be a City officer.</li> </ul>
\$250,000 and over	<p>Conduct a public tender process in accordance with the Act and the Regulations, subject to the exceptions in Regulation 11(2).</p> <p>Note: Where circumstances warrant, City officers may conduct a tender process for projects which are below the \$250,000 threshold.</p>

- Minor amendments to the waiver of purchasing requirements to list the positions that may approve a waiver in certain circumstances;
- Minor amendments to specifically refer to requirements relating to the use of State Government Common Use Arrangements;
- Amendments to the paragraphs dealing with Panels of Pre-Qualified Suppliers to ensure compliance with the Regulations;
- Removal of paragraphs that restate or paraphrase the Regulations (for example paragraphs 5.16 to 5.26 of the current policy)
- Other minor changes for consistency, clarity and readability.

### Statutory Environment

In accordance with section 3.1 of the *Local Government Act 1996* (the Act) the general function of a local government is to provide for the good government of persons in its district. This function must be performed having regard to, among other things, the need to promote the economic, social, and environmental sustainability of the district.

Regulation 11A(1) of the Regulations requires that a local government implement a purchasing policy in relation to contracts for the supply of goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less. Such a policy must, among other things, make provision in respect of:

- the form of quotations acceptable.
- the minimum number of oral and written quotations that must be obtained; and
- the recording and retention of purchasing records.

Regulation 24AC of the Regulations requires that a local government must not establish a panel of pre-qualified suppliers unless it has a written policy that makes provision for certain matters relating to those panels.

In accordance with Section 2.7(2)(b) of the Act, it is the role of the Council to determine the local government policies. Pursuant to section 5.8 of the Act, Council established a Policy and Legislation Committee to make recommendations to Council in relation to the City's policies.

The recommended changes to the Purchasing Policy is considered to be consistent with the relevant statutory requirements.

### **Relevant Plans and Policies**

The recommended changes to the Purchasing Policy are consistent with the City's Strategic Community Plan 2021 – 2031.

### **Financial Implications**

There are no financial implications associated with the Officer Recommendation.

### **External Stakeholder Consultation**

Not applicable.

### **Risk Assessment**

The Purchasing Policy seeks to manage legal and financial risk by outlining the regulatory duties and requirements in relation to procurement of goods and services by the City. Responsible, transparent, and ethical procurement processes also assist with continuation of service levels and reduces the City's reputational risk by facilitating delivery of service to the community at the expected standards.

An assessment of the potential implications of implementing the Officer Recommendation indicated that no risks of a medium or greater level have been identified.

### **Options**

As an alternative to the Officer Recommendation the Council could resolve to:

1. Retain the Purchasing Policy in its current form.
2. Make further changes to the proposed Purchasing Policy.

### **CONCLUSION**

The proposed changes to the Purchasing Policy seek to achieve the best value for money in relation to procurement of goods and service by the City, in a manner that is and socially ethical and by way of procurement processes that are transparent and compliant and ultimately resulting in the most advantageous outcome to the City.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

If adopted by the Council the revised Purchasing Policy will come into effect on the date of the Council meeting at which it is adopted and, as soon as is it practicable, it will be placed on the City's external website.



## Council Policy

**Council Policy Name:** Purchasing

**Responsible Directorate:** Corporate Performance and Strategy

**Version:** Draft

### 1. PURPOSE

- 1.1. To guide the procurement of goods and services to achieve the most advantageous outcome for the City as well as providing for procurement processes that are equitable, transparent, consistent and compliant with all relevant regulatory requirements.
- 1.2. The City's purchasing policy is directed at satisfying the following objectives:
  - a. achieving 'best value for money' with respect to all procurement;
  - b. ensuring that the City complies with all regulatory obligations;
  - c. strengthening integrity and confidence in the purchasing system;
  - d. ensuring that sustainable benefits, such as environmental, social and local economic factors are considered in the overall 'best value for money' assessment;
  - e. mitigating probity risk, by establishing consistent and demonstrated administrative processes that promote transparency and fairness; and
  - f. ensuring that purchasing activities are conducted in a consistent and efficient manner across the City.

### 2. SCOPE

This Policy applies to all purchases of goods and services made by the City.

### 3. DEFINITIONS

Term	Meaning
Act	<i>Local Government Act 1995 (WA).</i>
GST	the goods and services tax under the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
Policy	this City of Busselton Council policy titled "Purchasing Policy"
Regulations	<i>Local Government (Functions and General) Regulations 1996 (WA)</i>
WALGA	Western Australian Local Government Association

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
KEY THEME 4 OPPORTUNITY	3.2: Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.
KEY THEME 4 LEADERSHIP	4.2: Deliver governance systems that facilitate open, ethical and transparent decision making.

## 5. POLICY STATEMENT

### Procurement Principles

#### **Most advantageous outcome**

- 5.1. Purchasing is to be carried out to deliver the most advantageous outcome for the City.
- 5.2. The most advantageous outcome of a procurement process is to be determined by weighing up the considerations of price, value for money, risk and relevant qualitative factors.
- 5.3. Accordingly purchasing decisions should take into account factors other than price.
- 5.4. Qualitative and risk factors that may be considered:
  - a. Relevant whole-of-life costs and benefits;
  - b. Technical merits of the goods or services being offered in terms of compliance with specifications;
  - c. Financial viability and capacity to supply without risk of default;
  - d. A sufficient element of competition in the allocation of orders or the awarding of contracts;
  - e. Safety requirements associated with both the product design and specification offered by suppliers; and
  - f. Purchasing of goods and services from suppliers that demonstrate sustainable benefits and good corporate social responsibility.

#### **Facilitate open, ethical and transparent decision making**

- 5.5. Full accountability shall be taken by Councillors and employees for all purchasing decisions.
- 5.6. Purchasing is to be carried out in accordance with approved City budget provisions in an efficient, effective, and proper manner to ensure responsible expenditure of public monies.
- 5.7. Purchasing is to be carried out on a competitive basis.
- 5.8. Procurement processes, evaluations and decisions shall be transparent, free from bias, merit based and fully documented in accordance with applicable policies, practices and procedures, and audit requirements.
- 5.9. Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

#### **Social and sustainable procurement**

- 5.10. Social and sustainable procurement is the procurement of goods and services that have less environmental and social impacts than competing goods and services and where social value is created above the value of goods and services being procured. Where appropriate the City will consider environmental and social impacts along with best value for money outcomes when making procurement decisions.

#### **Support local enterprise, business investment and employment growth**

- 5.11. Under the State Government's Buy Local Policy, government agencies and local governments are encouraged to maximise participation of local and small businesses in the procurement of goods and services, which also aligns with the local economy objectives in the City's Strategic Community Plan.
- 5.12. Where appropriate and reasonably practicable, the City will have due regard to procurement practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents.

### Anti-Avoidance

- 5.13. Orders for the purchase of goods and services are not to be split into separate, lesser-valued contracts so as to:
- Circumvent the guidelines in relation to purchasing thresholds detailed in paragraph 5.17 of this Policy; or
  - Create two or more contracts or creating multiple purchase order transactions of a similar nature.
- 5.14. Where feasible, procurement of goods and services should be consolidated to allow for a single contract for the supply of those goods and services on an annual basis.

### Purchasing Requirements

- 5.15. The requirements that must be complied with by the City, including purchasing thresholds and processes, are prescribed within the Regulations, this Policy and relevant operational practises.
- 5.16. In determining the purchase value, the following considerations are to be taken into account:
- all values are exclusive of GST;
  - the actual or expected value of a contract over the full contract period, including all options.
- 5.17. The following quotation/tender purchase value thresholds apply:

Amount of Purchase	Requirements
<b>Up to \$5,000</b>	Purchase directly from a suitable supplier after obtaining at least <b>one (1) oral or written quotation</b> .
<b>\$5,001 - \$24,999</b>	Invite sufficient quotations from suitably experienced and qualified suppliers to obtain at least <b>two (2) written quotations</b> .
<b>\$25,000 - \$74,999</b>	Invite sufficient quotations from suitably experienced and qualified suppliers to obtain at least <b>three (3) written quotations</b> .
<b>\$75,000 - \$249,999</b>	<ul style="list-style-type: none"> <li>Invite sufficient quotations from suitably experienced and qualified suppliers to obtain at least <b>three (3) written quotations</b>.</li> <li>The request for quotation must include pre-determined evaluation criteria for assessment of quotations in accordance with relevant procurement principles and operational practices.</li> <li>Quotations must be evaluated in writing by at least two (2) suitably qualified and experienced persons, one of which must be a City officer.</li> </ul>
<b>\$250,000 and over</b>	<p>Conduct a public tender process in accordance with the Act and the Regulations, subject to the exceptions in Regulation 11(2).</p> <p>Note: Where circumstances warrant, City officers may conduct a tender process for procurement of goods or services with a value below the \$250,000 threshold.</p>

- 5.18. City officers undertaking procurement are expected to demonstrate due diligence in seeking quotations. The number of quotations obtained, the general terms and conditions of contract and level of evaluation required should be determined by having regard to the type and nature of the purchase and the associated



risk, and not purely the purchase value. For example, the officer may determine that the process outlined for a higher purchase threshold is more appropriate than the process for the actual purchase value.

#### Waiver of Purchasing Requirements

- 5.19. From time to time there will be circumstances where it is not appropriate or not reasonably practicable to adhere to the requirements to obtain quotations as set out in this Policy. An example is where the City is satisfied and can evidence that there is only one source of supply for goods or services, having used genuine endeavours to determine that there is not a reasonable alternative source of supply.
- 5.20. In such circumstances any one of the following City officers may authorise waiver of the requirements to obtain quotations as set out in this Policy:
- a. Chief Executive Officer
  - b. Director Corporate and Strategic Performance
  - c. Manager Legal, Governance and Risk
  - d. Commercial and Contracts Advisor
- 5.21. City officers authorised to approve a waiver must document the waiver process in the manner required by the CEO.

#### Exemptions to Purchasing Requirements – Purchase value \$250,000 or greater

- 5.22. Where the purchase value of goods or services exceeds \$250,000, the Regulations provide for a range of exemptions to the requirement to publicly invite tenders. These are set out in regulation 11(2) of the Regulations.

#### WALGA Preferred Suppliers Program and CUA

- 5.23. WALGA Preferred Supplier 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. This follows a public procurement process by WALGA that are deemed compliant with legal and best practice purchasing requirements.
- 5.24. Common Use Arrangements (CUA) exist for goods and services commonly bought by government.
- 5.25. Under the Regulations tender exemptions apply to WALGA Preferred Supplier Panels and CUA's, which allows local governments to purchase any value of goods or services from a WALGA Preferred Supplier or under a CUA without having to publicly invite tenders.
- 5.26. Subject to paragraph 5.27 below the City can procure goods and services under the WALGA Preferred Supplier Programs or a CUA.
- 5.27. Procurement of goods and services via the WALGA Preferred Supplier Program or under a CUA are subject to the following requirements:
- a. For purchases up to \$250,000 the purchasing requirements in paragraph 5.17 of this Policy apply; and
  - b. Where the value of the goods or services is, or is expected to be more than \$250 000, a minimum of three quotes must be obtained, subject in all instances to paragraph 5.20 of this Policy.

### Panels of pre-qualified suppliers

5.28. In relation to panels of prequalified suppliers the following words and expressions have the following meaning:

Term	Meaning
Panel	a panel of pre-qualified suppliers established in accordance with Part 4 Division 3 of the Regulations.
Panel Purchases	goods or services procured (or to be procured) by the City from Panel Suppliers under a Panel arrangement.
Panel Supplier	a supplier accepted as a pre-qualified supplier on a Panel.

5.29. In accordance with Part 4 Division 3 of the Regulations the City may establish a Panel to supply particular goods or services to the City where there is, or will be, a continuing need for those goods or services to be supplied to the City.

5.30. Panels may be established for regular supply of either particular goods or services or for a range or categories of goods or services that are similar.

5.31. When establishing a Panel, the City should have due regard to the following:

- a. Whether there is or will be a continuing need for the goods or services.
- b. Whether it could be more efficient and/or advantageous for the City to work collaboratively with a small group of suppliers for the supply of goods and services required on a regular basis.
- c. Whether it is more efficient and/or advantageous for the City to engage only one supplier for the required goods and or services (e.g. by way of a request for quotation or tender process).
- d. Whether the required goods and services can be procured under existing Panel arrangements.

5.32. The City may assess applications from suppliers to join a Panel and quotations from Panel Suppliers for Panel Purchases by applying the discount principles of the City's Regional Price Preference Policy.

5.33. When establishing a Panel, the invitation to apply to join the Panel must state whether the City intends to:

- a. Determine a ranking system from among Panel suppliers for procurement of Panel Purchases below a specified threshold value; and
- b. Seek written quotations from each Panel Supplier with respect to all Panel Purchases or, alternatively, seek written quotations for Panel Purchases above a specified threshold (if any).

5.34. Where the City has determined that written quotations will be sought from each Panel Supplier for Panel Purchases above a specified threshold, Panel Purchases below that threshold may be procured on the basis of the relative rankings of the Panel Suppliers.

5.35. Where Panel Suppliers are ranked in accordance with this Policy, the City is to determine their rankings from time to time on the basis of written quotations obtained from the Panel Suppliers.

5.36. The City will obtain written quotations from Panel Suppliers through electronic means, principally through the use of its online procurement portal.

5.37. Quotations obtained from Panel Suppliers will be assessed on the basis of predetermined criteria, to be determined in accordance with the operational practices, to determine which of those (if any) are most advantageous for the City to accept.

5.38. Where reasonably practicable:

- a. The City and each Panel Supplier will nominate at least one but preferably no more than three persons to represent them for purposes of communications in relation to Panel matters.

- b. Communications will normally be conducted by email or via the City’s online procurement portal.
- c. Where special circumstances require (e.g. emergency situations) verbal communications may be appropriate.
- d. Verbal communications will, where practicable, be followed up by email.

#### Record keeping

5.39. Written information and all documents in respect of all procurement actions undertaken by the City (and in particular all requests for tenders or quotations and all communications and submissions received in response thereto) must be recorded and retained in the City’s electronic recorded keeping system in accordance with the City’s record keeping practices and procedures.

## **6. RELATED DOCUMENTATION / LEGISLATION**

- 6.1. *Local Government Act 1995.*
- 6.2. *Local Government (Functions and General) Regulations 1996.*
- 6.3. Council Policy Regional Price Preference
- 6.4. Delegation DA 1 – 07 Inviting, Rejecting and Accepting Tenders.
- 6.5. Delegation DA 1 – 08 Preliminary Selection of Tenderers.
- 6.6. Delegation DA 1 – 10 Establishment of panels of pre-qualified suppliers.

## **7. REVIEW DETAILS**

Review Frequency		3 yearly		
<b>Council Adoption</b>	<b>DATE</b>	[to be inserted]	<b>Resolution #</b>	[to be inserted]
<b>Previous Adoption</b>	<b>DATE</b>	10 June 2020	<b>Resolution #</b>	C2006/049



## Council Policy

**Council Policy Name:** Purchasing

**Responsible Directorate:** Finance and Corporate Services

**Version:** Adopted

### 1. PURPOSE

- 1.1. The City is committed to using efficient and effective purchasing procedures that are directed towards delivering the most advantageous purchases of goods and services by the City.
- 1.2. The City's purchasing policy is directed at satisfying the following objectives:
  - a. achieving 'best value for money' with respect to all purchasing;
  - b. ensuring that the City complies with all regulatory obligations;
  - c. strengthening integrity and confidence in the purchasing system;
  - d. ensuring that sustainable benefits, such as environmental, social and local economic factors are considered in the overall 'best value for money' assessment;
  - e. mitigating probity risk, by establishing consistent and demonstrated administrative processes that promote transparency and fairness; and
  - f. ensuring that purchasing activities are conducted in a consistent and efficient manner across the City.

### 2. SCOPE

- 2.1. This Policy is applicable to all purchases made by the City.

### 3. DEFINITIONS

Term	Meaning
Act	<i>Local Government Act 1995 (WA).</i>
Formal RFQ	a request for quotation that contains pre-determined evaluation criteria to assess all value for money considerations, evaluated by a panel consisting of at least 2 City officers
GST	the goods and services tax under the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
Panel	a Panel of Pre-Qualified Suppliers established under the Regulations
Policy	this City of Busselton Council policy titled "Purchasing Policy"
PQS	a Request for Applications to Join a Panel of pre-qualified suppliers
Regulations	<i>Local Government (Functions and General) Regulations 1996 (WA)</i>
WALGA	Western Australian Local Government Association

#### 4. STRATEGIC CONTEXT

- 4.1. This Policy links to Strategic Theme 3. OPPORTUNITY - A vibrant City with diverse opportunities and a prosperous economy, of the City's Strategic Community Plan June 2021 and specifically the following Strategic Priority:
- a. 3.2: Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.

#### 5. POLICY STATEMENT

- 5.1. Purchasing is to be carried out to deliver the most advantageous outcome for the City.
- 5.2. Full accountability shall be taken by Councillors and employees for all purchasing decisions.
- 5.3. Purchasing is to be carried out in accordance with approved City budget provisions.
- 5.4. Purchasing is to be carried out on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently.
- 5.5. All processes, evaluations and decisions shall be transparent, free from bias, merit based and fully documented in accordance with applicable policies, practices and procedures, and audit requirements.
- 5.6. Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

##### Most Advantageous Outcome

- 5.7. The most advantageous outcome of a purchasing process is to be determined by weighing up the considerations of price, risk and relevant qualitative factors.
- 5.8. Accordingly purchasing decisions should take into account factors other than price.
- 5.9. Qualitative and risk factors that may be considered include:
- a. all relevant whole-of-life costs and benefits. This should include transaction costs associated with acquisition, delivery, distribution, as well as other costs such as holding costs, consumables, deployment, 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;
  - c. financial viability and capacity to supply without risk of default. This relates to the competency of the prospective suppliers in terms of their organisational, managerial and technical capabilities and regulatory compliance history;
  - d. a sufficient element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable;
  - e. the safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and services from suppliers;
  - f. purchasing of goods and services from suppliers that demonstrate sustainable benefits and good corporate social responsibility.

### Purchasing Requirements

- 5.10. The requirements that must be complied with by the City, including purchasing thresholds and processes, are prescribed within the Regulations, this Policy and associated purchasing practises.
- 5.11. In determining the purchase value, the following considerations are to be taken into account:
- all values are exclusive of GST;
  - the actual or expected value of a contract over the full contract period, including all options.
- 5.12. The following quotation/tender purchase value thresholds apply:

Amount of Purchase	Requirements
<b>Up to \$5,000</b>	Purchase directly from a suitable supplier after obtaining at least one (1) oral or written quotation from that supplier.
<b>\$5,001 - \$14,999</b>	Obtain at least two (2) written quotations from suitable suppliers following a brief outlining of the specified requirement.
<b>\$15,000 - \$49,999</b>	Obtain at least three (3) written quotations from suppliers following a brief outlining of the specified requirement.
<b>\$50,000 - \$249,999</b>	A Formal RFQ process must be followed by officers at this level of purchase. Officers must obtain at least three (3) written quotations from suppliers.
<b>\$250,000 and over</b>  Where circumstances warrant, City officers may conduct a tender process for projects which are below the \$250,000 threshold.	Conduct a public tender process in accordance with the Act and the Regulations, subject to the exceptions in Regulation 11(2)

- 5.13. The responsible City officer is expected to demonstrate due diligence in seeking quotations. The number of quotations obtained, the contract conditions and level of evaluation required should be determined by having regard to the type and nature of the purchase and the associated risk, and not purely the purchase value. For example the officer may determine that the process outlined for a higher purchase value is more appropriate than the process for the actual purchase value.

### Exemptions to Purchasing Requirements – Purchase value less than \$250,000

- 5.14. From time to time there will be circumstances where it is not appropriate or not reasonably practicable to adhere to the requirements to obtain quotations as set out in this Policy. An example is where the City is satisfied and can evidence that there is only one source of supply for goods, services or works, having used genuine endeavours to determine that there is not a reasonable alternative source of supply.

- 5.15. In such circumstances, the Chief Executive Officer (or such other employee of the City to whom such power has been delegated) may waive the requirements to obtain quotations as set out in this Policy. The responsible City officer must document the waiver process in the manner required by the CEO.

#### **Exemptions to Purchasing Requirements – Purchase value \$250,000 or greater**

- 5.16. Where the purchase value exceeds \$250,000, the Regulations provide for a range of exceptions to the requirement to publicly invite tenders. These are set out in regulation 11(2) of the Regulations.

- 5.17. The exceptions include:

- a. the supply of goods or services authorised as an emergency under s 6.6(1)(c) of the Act;
- b. the supply of goods or services is associated with a state of emergency;
- c. the supply of goods or services obtained through the WALGA Preferred Supplier Program (see further information below);
- d. where the City has good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier;
- e. the goods or services are to be supplied by a person registered on the Aboriginal Business Directory WA or by Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation) (subject to a maximum of \$250,000 and the City being satisfied as to 'value for money');
- f. where the goods or services are to be supplied by an Australian Disability Enterprise;
- g. where the goods or services are to be supplied by a pre-qualified supplier under a Panel of Pre-Qualified Suppliers established by the City under the Regulations (see further information below);  
or
- h. where the contract is a renewal or extension of the term of an original contract in certain circumstances related to a state of emergency.

#### **Regulatory Compliance – Tenders**

*This part includes detail on the requirements of the Act and the Regulations for the public tender process. As these may change from time to time, it is the responsibility of the employee to inform themselves of the requirements of the relevant statutory requirements when conducting a tender process and not rely on this Policy alone.*

#### **Advertising Tenders**

- 5.18. Requests for tenders must be advertised as a minimum in a state-wide publication and on the City's TenderLink portal and in addition, may be advertised locally. The tender must remain open for a minimum of at least 14 days after the date the tender is advertised.

#### **Addendum to Tender**

- 5.19. Clarifications, variations or adjustments to the tender documentation and the conditions of tender may be made by way of addendum after the tender has been publicly advertised but prior to the tender closing date.

#### **Opening of Tenders**

- 5.20. Tenders are to be opened in accordance with the advertised time and place and in the presence of at least two persons which can be either:
- a. two employees of the City;
  - b. one employee of the City and another person authorised by the Chief Executive Officer for that purpose;
  - c. the details of all tenders received and opened shall be recorded in the Tender Register. There is no obligation to disclose or record tendered prices at the tender opening. Members of the public are entitled to be present.

#### **Tender Evaluation**

5.21. Tenders that have not been rejected shall be assessed by means of a written evaluation against the pre- determined criteria to determine which tender represents best value for money. The evaluation panel must contain a minimum of three members.

#### **Tender Register**

5.22. The City must maintain a tender register which is to include:

- a. a brief description of the goods and services required;
- b. particulars of:
  - i. Any notice by which expressions of interests from prospective tenderers was sought;
  - ii. Any person who submitted an expression of interest;
  - iii. Any list of acceptable tenderers that was prepared under Regulation 23(4).
- c. a copy of the notice of the invitation to tender;
- d. the name of each tenderer whose tender has been opened;
- e. the name of any successful tenderer.

#### **Minor Variation prior to awarding a contract**

5.23. Prior to awarding a contract to a preferred tenderer, the City may negotiate and agree on “minor variations” with the preferred tenderer.

5.24. Any amendments must be incorporated into the contract with the preferred tenderer for the supply of the varied requirement.

5.25. Any major variation will require a new and separate tender.

5.26. A minor variation has been determined by the City to mean a variation which does not materially alter the specification or structure provided for by the initial tender.

#### **WALGA Preferred Suppliers Program**

5.27. WALGA has a number of pre-qualified suppliers called WALGA preferred suppliers. The City can make purchases from WALGA preferred suppliers:

- a. for purchases up to \$250,000;
- b. for purchases over \$250,000 in reliance on the exemption to the requirement for a public tender.  
Provided that:
- c. for purchases up to \$250,000 the purchasing requirements in section 5.10 - 5.13 of this Policy apply and for purchases over \$250,000 three quotes must be sought, subject in all cases to sections 5.14 and 5.15 of this Policy.



**Panels of Pre-Qualified Suppliers**

- 5.28. A Panel may only be established where it is determined that there is or will be a continuing need for particular goods or services to be supplied by pre-qualified suppliers.
- 5.29. When establishing a Panel, officers must consider the following:
- a. is there a continuing need for the goods or services?
  - b. will it be more efficient for the City to work collaboratively with a small group of suppliers to deliver a good or service on a regular basis?
  - c. is it necessary for the City to have more than one supplier for a good or service (if one is sufficient then a Request for Tender may be appropriate)?
  - d. is there another panel available for the City to access?
- 5.30. Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.
- 5.31. Requests for applications to join a panel of pre-qualified suppliers must be advertised through a State-wide public notice.
- 5.32. Prior to issuing a PQS, Officers must determine the criteria by which applications will be assessed and accepted which must be determined and communicated in the PQS.
- 5.33. Officers may assess applications using the discount principles of the City's Regional Price Preference Policy.
- 5.34. A Panel established by the City may be operated in a manner that applies the principles of the City's Regional Price Preference Policy when assessing quotations.
- 5.35. When establishing a Panel a PQS must set out how the City intends to purchase goods and services through the use of the Panel.
- 5.36. The City is to procure goods and services from a member of a Panel by either seeking written quotations from each panel member with respect to all purchases or alternatively all purchases above a specified threshold (if any).
- 5.37. Where the City has determined that written quotations will be sought from each Panel member above a specified threshold, goods and services may be procured below that threshold on the basis of the relative rankings of the Panel members.
- 5.38. Where Panel members are ranked, the City is to determine the rankings from time to time on the basis of written quotations obtained from the members of the panel.
- 5.39. The City will obtain written quotations through electronic means, principally through the use of its online procurement portal.
- 5.40. Written quotations from panel members are to be sought and assessed on the basis of criteria determined in accordance with the City's practices and procedures.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government Act 1995.*
- 6.2. *Local Government (Functions and General) Regulations 1996.*
- 6.3. Council Policy Regional Price Preference
- 6.4. Delegation DA 1 – 07 Inviting, Rejecting and Accepting Tenders.
- 6.5. Delegation DA 1 – 08 Preliminary Selection of Tenderers.
- 6.6. Delegation DA 1 – 10 Establishment of panels of pre-qualified suppliers.

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	10 June 2020	Resolution #	C2006/049
Previous Adoption	DATE	25 July 2018	Resolution #	C1807/144

## 6.2 Council Policy Review: Regional Price Preference

<b>Strategic Theme:</b>	Key Theme 3: Opportunity 3.2 Facilitate an innovative and diversified economy that supports local enterprise, business, investment and employment growth. Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Contract & Tendering Officer - Heather Sheppard
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations, and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Council Policy: Regional Price Preference (current policy) [6.2.1 - 2 pages] 2. Council Policy: Regional Price Preference (incorporating administrative updates) [6.2.2 - 2 pages]

### OFFICER RECOMMENDATION

That the Council:

1. having reviewed the Regional Price Preference Policy as part of the City's policy review cycle, resolves not to make any amendments; and
2. acknowledges that the CEO will make administrative updates to the strategic context and the name of the responsible directorate.

### EXECUTIVE SUMMARY

City officers have reviewed the City's existing Council policy: "Regional Price Preference" as part of the City's policy review cycle and do not recommend any substantive changes to the Regional Price Preference Policy (Attachment 1).

### STRATEGIC CONTEXT

The Regional Price Preference Policy forms part of the City's procurement framework and is directed at guiding the City's procurement practices and procedures, in conjunction with the Purchasing Policy, to increase local procurement. This in turn helps facilitate an innovative and diversified economy that supports local enterprise, business, investment and employment growth.

### BACKGROUND

The Regional Price Preference Policy allows the City to give a regional price preference to certain local suppliers when assessing a tender. The Regional Price Preference Policy was first implemented in 2017 and was last reviewed by the Council in 2018.

As part of the City's ongoing policy review cycle officers have completed a further review of the Regional Price Preference Policy.

### **OFFICER COMMENT**

Since the last review in 2018, there have been no material concerns or issues raised about the operation of the Policy. Therefore, having further reviewed the Regional Price Preference, City officers are not recommending any amendments.

If the officer recommendation is accepted by the Council, administrative amendments will be made to update the directorate name and to realign the strategic context in tabular form and in accordance with the City's current Strategic Community Plan (as set out in Attachment 2) prior to republishing on the City's website.

### **Statutory Environment**

Part 4A of the *Local Government (Functions and General) Regulations 1996* requires a local government to prepare a regional preference policy if it intends to give a regional price preference in relation to a process.

In accordance with Section 2.7(2)(b) of the *Local Government Act 1996* (Act), it is the role of the Council to determine the local government policies. The Council does this on recommendation of a Committee it has established in accordance with section 5.8 of the Act.

### **Relevant Plans and Policies**

The recommended changes to the Purchasing Policy are consistent with the City's Strategic Community Plan 2021 – 2031. The Regional Price Preference Policy is linked to the City's Purchasing Policy.

### **Financial Implications**

There are no financial implications associated with the officer recommendation.

### **External Stakeholder Consultation**

Not applicable.

### **Risk Assessment**

The Regional Price Preference Policy seeks to manage legal and financial risk by outlining the regulatory duties and requirements in relation to procurement of goods and services by the City. Responsible, transparent, and ethical procurement processes also assist with continuation of service levels and reduces the City's reputational risk by facilitating delivery of service to the community at the expected standards.

An assessment of the potential implications of implementing the officer recommendation indicated that no risks of a medium or greater level have been identified.

### **Options**

As an alternative to the officer recommendation the Council could resolve to propose to amend the Regional Price Preference Policy.

For example other local governments (including Busselton previously) have allowed a price preference for tenderers located outside the district who propose to source goods and services within the district (under subcontracts) as part of their tenders.

If the Council wishes to amend the Regional Price Preference Policy then Statewide public notice of the proposed policy will need to be given before it can be adopted.

### **CONCLUSION**

The officer recommendation confirms that the Regional Price Preference Policy has been reviewed but does not recommend any substantive amendments.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

If the officer recommendation is accepted the administrative amendments to the Regional Price Preference Policy will be made and published on the City's website as soon as practicable.



## Council Policy

**Council Policy Name:** Regional Price Preference

**Responsible Directorate:** Finance and Corporate Services

**Version:** Adopted

### 1. PURPOSE

- 1.1. Part 4A of the Regulations enables a local government located outside of the metropolitan area to give a regional price preference when assessing a tender. Any price preference must comply with the Regulations, including that a Policy must be adopted, following a period of State-wide advertising.
- 1.2. The purpose of this Policy is to promote, under the Regulations, local economic development through the provision of a price preference allowance to Local Suppliers when evaluating and awarding contracts under a tender process.

### 2. SCOPE

- 2.1. This Policy is applicable to all tenders invited by the City of Busselton.

### 3. DEFINITIONS

Term	Meaning
Local Supplier	a supplier who has had for more than 6 months prior to the closing date of the tender a physical presence by way of a shop, depot, outlet, headquarters or other premises from which they operate within the City of Busselton district
Policy	this City of Busselton Council policy titled "Regional Price Preference"
Regulations	the <i>Local Government (Functions and General) Regulations 1996</i>

### 4. STRATEGIC CONTEXT

- 4.1. This Policy links to Strategic Theme 3. – OPPORTUNITY - A vibrant City with diverse opportunities and a prosperous economy, of the City's Strategic Community Plan June 2021 and specifically the following Strategic Priority:
  - a. 3.2 Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.

### 5. POLICY STATEMENT

- 5.1. The following price preference allowance will be applied on the value of tendered goods and services sourced from a Local Supplier:
  - a. goods and services – 10 per cent allowance up to a maximum price reduction of \$50,000;
  - b. construction (building) services – 5 per cent allowance up to a maximum price reduction of \$50,000;
  - c. goods and services, including construction (building) services, tendered for the first time where Council previously supplied the goods or services – 10 per cent allowance up to a maximum price reduction of \$500,000.
- 5.2. Only where the management or delivery of the majority of the tendered goods and services will be carried out from the Local Supplier's premises will the price preference apply.

- 5.3. The value of those goods and services claimed by the supplier may be adjusted during the tender assessment process if the value claimed is considered unreasonable or cannot be justified.
- 5.4. Price is only one factor that Council considers when evaluating a tender. There is nothing contained within this Policy that compels Council to accept the lowest tender or any tender based on price offered.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government (Functions and General) Regulations 1996*

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	10 October 2018	Resolution #	C1810/201
Previous Adoption	DATE	8 November 2017	Resolution #	C1708/192



## Council Policy

**Council Policy Name:** Regional Price Preference

**Responsible Directorate:** Corporate Strategy and Performance

**Version:** w /  
Administrative  
updates

### 1. PURPOSE

- 1.1. Part 4A of the Regulations enables a local government located outside of the metropolitan area to give a regional price preference when assessing a tender. Any price preference must comply with the Regulations, including that a Policy must be adopted, following a period of State-wide advertising.
- 1.2. The purpose of this Policy is to promote, under the Regulations, local economic development through the provision of a price preference allowance to Local Suppliers when evaluating and awarding contracts under a tender process.

### 2. SCOPE

- 2.1. This Policy is applicable to all tenders invited by the City of Busselton.

### 3. DEFINITIONS

Term	Meaning
Local Supplier	a supplier who has had for more than 6 months prior to the closing date of the tender a physical presence by way of a shop, depot, outlet, headquarters or other premises from which they operate within the City of Busselton district
Policy	this City of Busselton Council policy titled "Regional Price Preference"
Regulations	the <i>Local Government (Functions and General) Regulations 1996</i>

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
KEY THEME 4 OPPORTUNITY	3.2: Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.
KEY THEME 4 LEADERSHIP	4.2: Deliver governance systems that facilitate open, ethical and transparent decision making.

### 5. POLICY STATEMENT

- 5.1. The following price preference allowance will be applied on the value of tendered goods and services sourced from a Local Supplier:
  - a. goods and services – 10 per cent allowance up to a maximum price reduction of \$50,000;
  - b. construction (building) services – 5 per cent allowance up to a maximum price reduction of \$50,000;
  - c. goods and services, including construction (building) services, tendered for the first time where Council previously supplied the goods or services – 10 per cent allowance up to a maximum price reduction of \$500,000.



- 5.2. Only where the management or delivery of the majority of the tendered goods and services will be carried out from the Local Supplier's premises will the price preference apply.
- 5.3. The value of those goods and services claimed by the supplier may be adjusted during the tender assessment process if the value claimed is considered unreasonable or cannot be justified.
- 5.4. Price is only one factor that Council considers when evaluating a tender. There is nothing contained within this Policy that compels Council to accept the lowest tender or any tender based on price offered.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government (Functions and General) Regulations 1996*

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	10 October 2018	Resolution #	C1810/201
Previous Adoption	DATE	8 November 2017	Resolution #	C1708/192

### 6.3 **Council Policy Review: Building Insurance and Waste Collection Services**

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Infrastructure and Environment
<b>Reporting Officer:</b>	Executive Assistant - Janina Greenwood
<b>Authorised By:</b>	Director Infrastructure and Environment - Oliver Darby
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>1. Proposed Council Policy Building Insurance [6.3.1 - 2 pages]</li> <li>2. Proposed Council Policy Waste Collection Service [6.3.2 - 3 pages]</li> <li>3. Council Policy Building Insurance Track Changes [6.3.3 - 3 pages]</li> <li>4. Council Policy Waste Collection Service Track Changes [6.3.4 - 3 pages]</li> </ol>

#### **OFFICER RECOMMENDATION**

**That the Council adopts the Building Insurance Council Policy and Waste Collection Services Council Policy as per attachments 1 and 2 to replace the current policies.**

#### **EXECUTIVE SUMMARY**

This report presents a reviewed/updated Building Insurance Policy and Waste Collection Service Policy (the Policies) for the Council's consideration, with the current policies amended as part of the City's ongoing policy review process.

#### **STRATEGIC CONTEXT**

The Policies link to Key Theme 4: Leadership, 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.

#### **BACKGROUND**

##### **Building Insurance Policy**

A building insurance policy was first adopted by the Council on 14 September 2016 (C1609/234) The current policy was last reviewed in 2020 (C2002/033), with regard to the Governance System Review, which recommended that Council's policies be reviewed to remove operational level detail and function as strategic guidance documents.

##### **Waste Collection Service Policy**

The current policy was first adopted in 2012 (C2002/033) to replace a previous Refuse Collection Service Policy and was last reviewed in 2019 (C1910/212); again with regard to the Governance System Review outcomes.

## **OFFICER COMMENT**

### **Building Insurance**

Changes are recommended to this policy to simplify and streamline the scope, and to reflect variable lease conditions in relation to insurance, where the tenant may either be required to insure the building themselves or reimburse the City for insurance.

### **Waste Collection Services**

The main change to this Policy is the removal of any reference to the “Organic Waste Mobile Garage Bin (MGB)”. The City is not currently providing this service. If, in the future this service becomes available officers can recommend changes to the policy to suit.

### **Statutory Environment**

In accordance with Section 2.7(2)(b) of the *Local Government Act 1995* it is the role of the Council to determine the local government’s policies. The Council does this on the recommendation of a Committee it has established in accordance with Section 5.8 of that Act.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:

[Asset Management](#)

[Building Insurance](#)

[Waste Collection Services](#)

The City also has a Policy Framework which sets out the purpose of a Council Policy as opposed to an Operational Practice, with a Council Policy to provide strategic direction to the Council and the CEO.

### **Financial Implications**

Not Applicable

### **External Stakeholder Consultation**

Not Applicable

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City’s risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

### **Options**

As an alternative to the proposed recommendation the Council could require further amendments to the Policies (or one of the Policies).

## **CONCLUSION**

A review of the Policies has been undertaken, with only minor changes proposed. The Policies continue to be of relevance and are recommended for adoption.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

If adopted by the Council, the Policies will come into effect on the date of the Council meeting at which they are adopted and, as soon as is it practicable, it will be placed on the City's external website.



## Council Policy

**Council Policy Name:** Building Insurance  
**Responsible Directorate:** Engineering and Works Services  
**Version:** Draft

### 1. PURPOSE

- 1.1. The purpose of this Policy is to outline the City's approach to building insurance.

### 2. SCOPE

- 2.1. This Policy is applicable to all buildings and associated improvements on land owned or managed by the City of Busselton.

### 3. DEFINITIONS

Term	Meaning
Certified Practising Valuer	a person with the required qualifications, training and experience to perform valuation of real property
Policy	this City of Busselton Council policy titled "Building Insurance"
Service Level Hierarchy (SLH)	a hierarchy developed as part of the Building Asset Management Plan adopted by Council in December 2010, used to determine the level of priority a building is afforded with respect to maintenance and replacement

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
KEY THEME 2 LIFESTYLE	2.12 Provide well maintained community assets through robust asset management practices

### 5. POLICY STATEMENT

- 5.1. Council seeks to obtain the best value-for-money insurance coverage for each building owned or managed by the City.
- 5.2. There are four levels of insurance:
- Replacement / Reinstatement:** cost for full replacement of a building to current day standards, including provisions for architects and engineers fees, removal of debris, extra costs of reinstatement, extinguishment costs and miscellaneous structures and equipment.
  - Indemnity Only:** the market value of the building. In the event of a total loss, that amount is the maximum amount payable and there is no consideration of replacing or rebuilding the asset.
  - Demolition Only:** This value can be set by Council, nominating a value to a certain building based on previous quotations, actual costs or an estimation of the probable costs to demolish it.
  - No Insurance:** Council may elect not to insure a building in instances where other insurance cover exists or in circumstances where insurance cover is not necessary.

- 5.3. With the exception of leased buildings, the City will not insure buildings under the value of \$50,000 unless the CEO decides it is necessary, due to special circumstances, to insure a particular building.
- 5.4. All buildings and their associated improvements will be allocated a level of insurance appropriate to its SLH, its current condition and planned future use.
- 5.5. The typical relationship between a building's SLH and its insurance level is shown in the below table:

SLH	INSURANCE LEVEL
1	Replacement / Reinstatement
2	Replacement / Reinstatement
3	Replacement / Reinstatement or Indemnity (in some cases)
4	Replacement / Reinstatement or Indemnity (in some cases)
5	Demolition
6	Replacement / Reinstatement

- 5.6. To ensure that all building values are consistent with current replacement costs and / or market values, the City will undertake revaluations every three years, to be carried out by a Certified Practising Valuer.
- 5.7. All buildings and improvements leased by the City will be insured for replacement / reinstatement value, with tenants, subject to paragraph 5.8, required to pay for the cost of insurance either direct or through reimbursement to the City.
- 5.8. Not-for-profit community and sporting groups who lease buildings that are listed with the Heritage Council of WA and have conservation plans are only required to reimburse 50% of the cost of insurance.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. City of Busselton Building Asset Management Plan – Service Level Hierarchy

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE		Resolution #	
Previous Adoption	DATE	12 February 2020	Resolution #	C2002/033



## Council Policy

**Council Policy Name:** Waste Collection Services

**Responsible Directorate:** Engineering and Works Services

**Version:** Draft

### 1. PURPOSE

- 1.1. The purpose of this Policy is to outline the parameters for the provision of effective, safe and consistent kerbside waste and recycling collection services within the City of Busselton.

### 2. SCOPE

- 2.1. This Policy is applicable to the provision of all kerbside Waste Receptacle collection services in the City of Busselton district, including recycling and to the provision of any agreed commercial waste collection services.

### 3. DEFINITIONS

Term	Meaning
Authorised Officer	Manager, Waste and Fleet Services or representative business unit officer
General Waste MGB	an Australian Standards 4123 compliant, polyethylene, dark green or black coloured body, of a maximum 240 litre capacity and capable of containing 70 to a maximum of 90 kilograms of general waste, fitted with wheels, a handle and a red or dark green lid
MGB	Mobile Garbage Bin
Policy	this City of Busselton Council policy titled "Waste Collection Services"
Prescribed Area	various areas within the district, that are listed in the local government's geographic information system as a layer, and amended accordingly from time to time
Recycling Waste MGB	an Australian Standards 4123 compliant, polyethylene, nature green, dark green or black coloured body, of a maximum 240 litre capacity and capable of containing 70 to a maximum of 90 kilograms of recycling waste, fitted with wheels, a handle and a yellow lid
Waste Receptacle	a MGB or a container which has otherwise been approved by the City for the deposit and collection of collectable waste

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
KEY THEME 1 ENVIRONMENT	1.1: Ensure protection and enhancement of environmental values is a central consideration in land use planning
KEY THEME 1 ENVIRONMENT	1.5: Implement best practice waste management strategies with a focus on waste avoidance, reduction, reuse and recycling

### 5. POLICY STATEMENT

- 5.1. All premises that are, or are capable of being, occupied or used for residential purposes within the Prescribed Area may be entitled to receive a kerbside general waste, and a recycling waste collection service.

- 5.2. The Authorised Officer determines which service or combination of services is capable of being offered and may amend the Prescribed Area from time to time.
- 5.3. All premises that are, or are capable of being, occupied or used for residential purposes within the Prescribed Area must buy and keep in good condition a General Waste MGB for the use of the premises.
- 5.4. All residential premises within the Prescribed Area will be provided by the City with a Recycling Waste MGB which will remain the property of the City. Premises are required to pay for the use of additional Waste Receptacles supplied for kerbside recycling services.
- 5.5. Premises utilised for commercial purposes within the Prescribed Area may request to receive a kerbside, general waste, and recycling waste collection service by submitting a completed Commercial Waste Collection Application Form to the Authorised Officer. The premises are obliged to buy and maintain their own Waste Receptacle.
- 5.6. The Authorised Officer determines if the commercial waste collection service is capable of being offered to the premises, the frequency of the collection and the method used. Upon approval, the premises will receive a sticker, to be placed on the front of the Waste Receptacle, indicating their collection day. Only Waste Receptacles' with a sticker will be emptied.
- 5.7. Collection Services may, at the Authorised Officer's discretion, be provided outside of the Prescribed Area.
- 5.8. The following criteria will be considered in determining whether it is viable to provide a service:
  - a. suitability in terms of distances, roads, access and safety;
  - b. demand for the service; and
  - c. cost of providing the service.
- 5.9. Where a service is introduced into a new area or part of a new area, a service fee will apply to all premises within that area or part area. The service fee applies irrespective of whether the owner or occupier of the premise actually uses the service.
- 5.10. Unless clause 5.11 applies, waste collection services will generally only be carried out along the verges of public roads (whether in a Prescribed Area or non-Prescribed Area).
- 5.11. The Authorised Officer may, at their discretion and considering the associated service costs, provide waste collection services along private roads:
  - a. where safety to all persons is not compromised;
  - b. where there is minimal prospect of damage to vehicles and property;
  - c. where there is no suitable space on the public verge to place the Waste Receptacles for collection; and
  - d. where it represents a major inconvenience for the owners or occupiers of a premise to wheel their Waste Receptacles to the public verge.
- 5.12. Where waste collection services are offered along private roads, an appropriate agreement must be entered into between the City and the owners or occupiers of the premise prior to commencement.
- 5.13. The Authorised Officer reserves the right to review the suitability of collection service(s) routes on public and private roads, along with the level of service to customers, and may amend them to suit current conditions following these reviews.
- 5.14. MGBs must be placed out by 0600hrs on the morning of the collection day, at least 0.5m apart, in a position which is clear of obstacles and enables safe collection.



- 5.15. In accordance with Clause 2.6 (1) and (2) of the *City of Busselton Waste Local Law 2016* the Authorised Officer may direct the owner or occupier of a premise, in writing, to place their Waste Receptacle for collection in a specific location.
- 5.16. The City is unable to assist owners or occupiers of premises to wheel their Waste Receptacles to or from the place of collection.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *City of Busselton Waste Local Law 2016*  
6.2. *Local Government Act 1995*;  
6.3. *Waste Avoidance and Resource Recovery Act 2007*

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE		Resolution #	
Previous Adoption	DATE	30/10/2019	Resolution #	C1910/212



## Council Policy

Council Policy Name: **Building Insurance**  
Responsible Directorate: **Engineering and Works Services** Version: **Adopted**

### 1. PURPOSE

- 1.1. The purpose of this Policy is to outline the City's approach to building insurance ~~and the treatment of insurance for leased buildings.~~

### 2. SCOPE

- 2.1. This Policy is applicable to all buildings and associated improvements on land owned or managed by the City of Busselton, ~~and to tenants under a community and sporting group lease or a commercial lease agreement.~~

### 3. DEFINITIONS

Term	Meaning
Certified Practising Valuer	a person with the required qualifications, training and experience to perform valuation of real property
Policy	this City of Busselton Council policy titled "Building Insurance"
Service Level Hierarchy (SLH)	a hierarchy developed as part of the Building Asset Management Plan adopted by Council in December 2010, used to determine the level of priority a building is afforded with respect to maintenance and replacement

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
<u>KEY THEME 2</u> <u>LIFESTYLE</u>	<u>2.12 Provide well maintained community assets through robust asset management practices</u>

- ~~4.1. This Policy links to Strategic Theme 2. — LIFESTYLE — A place that is relaxed, safe and friendly with services and facilities that support healthy lifestyles and wellbeing, of the City's Strategic Community Plan June 2021 and specifically the following Strategic Priority:~~  
~~a. 2.12 Provide well maintained community assets through robust asset management practices.~~

### 5. POLICY STATEMENT

- 5.1. Council seeks to obtain the best value-for-money insurance coverage for each building owned or managed by the City.
- 5.2. There are four levels of insurance:
- Replacement / Reinstatement:** cost for full replacement of a building to current day standards, including provisions for architects and engineers fees, removal of debris, extra costs of reinstatement, extinguishment costs and miscellaneous structures and equipment.
  - Indemnity Only:** the market value of the building. In the event of a total loss, that amount is the

- maximum amount payable and there is no consideration of replacing or rebuilding the asset.
- c. **Demolition Only:** This value can be set by Council, nominating a value to a certain building based on previous quotations, actual costs or an estimation of the probable costs to demolish it.
  - d. **No Insurance:** Council may elect not to insure a building in instances where other insurance cover exists or in circumstances where insurance cover is not necessary.
- 5.3. With the exception of leased buildings, the City will not insure buildings under the value of \$50,000 unless the CEO decides it is necessary, due to special circumstances, to insure a particular building.
- 5.4. All buildings and their associated improvements will be allocated a level of insurance appropriate to its SLH, its current condition and planned future use.
- 5.5. The typical relationship between a building's SLH and its insurance level is shown in the below table:

SLH	INSURANCE LEVEL
1	Replacement / Reinstatement
2	Replacement / Reinstatement
3	Replacement / Reinstatement or Indemnity (in some cases)
4	Replacement / Reinstatement or Indemnity (in some cases)
5	Demolition
6	Replacement / Reinstatement

- 5.6. To ensure that all building values are consistent with current replacement costs and / or market values, the City will undertake revaluations every three years, to be carried out by a Certified Practising Valuer.
- 5.7. ~~The City's standard community and sporting group lease and commercial lease agreements require that a~~ All buildings and improvements ~~leased by the City will be~~ are insured for replacement / reinstatement value, with tenants, subject to paragraph 5.8, required to ~~pay for the~~ reimburse the cost of insurance ~~either direct or through reimbursement~~ to the City.
- 5.8. Not-for-profit community and sporting groups who lease buildings that are listed with the Heritage Council of WA and have conservation plans are only required to reimburse 50% of the cost of insurance.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. City of Busselton Building Asset Management Plan – Service Level Hierarchy

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	12 February 2020	Resolution #	C2002/033

Previous Adoption	DATE	<u>12 February 2020</u>	Resolution #	<u>C2002/033</u>
		14 September 2016		C1609/234



## Council Policy

**Council Policy Name:** Waste Collection Services

**Responsible Directorate:** Engineering and Works Services

**Version:** Adopted

### 1. PURPOSE

- 1.1. The purpose of this Policy is to outline the parameters ~~for within which~~ the provision of ~~effective, safe and consistent~~ kerbside waste and recycling collection services ~~within the City of Busselton will operate, in order to ensure an effective, safe and consistent service is provided throughout the District.~~

### 2. SCOPE

- 2.1. This Policy is applicable to the provision of all kerbside Waste Receptacle collection services in the ~~City of Busselton District~~, including ~~Recycling and organic waste MGB collection~~, and to the provision of any agreed commercial waste collection services.

### 3. DEFINITIONS

Term	Meaning
Authorised Officer	Manager, Waste and Fleet Services or representative business unit officer
<del>District</del>	<del>City of Busselton local government area</del>
General Waste MGB	an Australian Standards 4123 compliant, polyethylene, dark green or black coloured body, of a maximum 240 litre capacity and capable of containing 70 to a maximum of 90 kilograms of general waste, fitted with wheels, a handle and a red or dark green lid
MGB	Mobile Garbage Bin
<del>Organic Waste MGB</del>	<del>an Australian Standards 4123 compliant, polyethylene, dark green or black coloured body, of a maximum 240 litre capacity and capable of containing 70 to a maximum of 90 kilograms of organic waste, fitted with wheels, a handle and a lime green lid</del>
Policy	this City of Busselton Council policy titled "Waste Collection Services"
Prescribed Area	various areas within the district, that are listed in the local government's geographic information system as a layer, and amended accordingly from time to time
Recycling Waste MGB	an Australian Standards 4123 compliant, polyethylene, nature green, dark green or black coloured body, of a maximum 240 litre capacity and capable of containing 70 to a maximum of 90 kilograms of recycling waste, fitted with wheels, a handle and a yellow lid
Waste Receptacle	a MGB or a container which has otherwise been approved by the City for the deposit and collection of collectable waste

### 4. STRATEGIC CONTEXT

Strategic Theme	Strategic Priority
<u>KEY THEME 1 ENVIRONMENT</u>	<u>1.1: Ensure protection and enhancement of environmental values is a central consideration in land use planning</u>
<u>KEY THEME 1 ENVIRONMENT</u>	<u>1.5: Implement best practice waste management strategies with a focus on waste avoidance, reduction, reuse and recycling</u>

- 4.1. ~~This Policy links to Strategic Theme 1. ENVIRONMENT—An environment that is valued, conserved and able to be enjoyed by current and future generations, of the City’s Strategic Community Plan June 2021 and specifically the following Strategic Priorities:~~
- ~~a. 1.1: Ensure protection and enhancement of environmental values is a central consideration in land use planning; and~~
  - ~~1.5: Implement best practice waste management strategies with a focus on waste avoidance, reduction, reuse and recycling.~~

## 5. POLICY STATEMENT

- 5.1. All premises that are, or are capable of being, occupied or used for residential purposes within the Prescribed Area may be entitled to receive a kerbside general waste, and a recycling waste ~~and an organic waste~~ collection service.
- 5.2. The Authorised Officer determines which service or combination of services is capable of being offered ~~;~~ and may amend the Prescribed Area from time to time.
- 5.3. All premises that are, ~~or~~ are capable of being, occupied or used for residential purposes within the Prescribed Area must buy ~~;~~ and keep in good condition ~~;~~ a General Waste MGB for the use of the premises.
- 5.4. All residential premises within the Prescribed Area will be provided by the City with a Recycling Waste MGB which will remain the property of the City. Premises are required to pay for the use of additional Waste Receptacles supplied for kerbside recycling services.
- 5.5. Premises utilised for commercial purposes within the Prescribed Area may request to receive a kerbside, general waste, and recycling waste, ~~and an organic waste~~ collection service by submitting a completed Commercial Waste Collection Application Form to the Authorised Officer. The premises are obliged to buy and maintain their own Waste Receptacle.
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- 5.7. Collection Services may, at the Authorised Officer’s discretion, be provided outside of the Prescribed Area.
- 5.8. The following criteria will be considered in determining whether it is viable to provide ~~such~~ a service:
- a. suitability in terms of distances, roads, access and safety;
  - b. demand for the service; and
  - c. cost of providing the service.
- 5.9. Where a service is introduced into a new area or part of a new area, a service fee will apply to all premises within that area or part area. The service fee applies irrespective of ~~whether or not~~ whether the owner or occupier of the premise actually uses the service.
- 5.10. Unless clause 5.11 applies, waste collection services will generally only be carried out along the verges of public roads (whether in a Prescribed Area or non-Prescribed Area).
- 5.11. The Authorised Officer may, at their discretion and ~~taking into account~~ considering the associated service costs, provide waste collection services along private roads:
- a. where safety to all persons is not compromised;
  - b. where there is minimal prospect of damage to vehicles and property;
  - c. where there is no suitable space on the public verge to place the Waste Receptacles for collection;
- and

d. where it represents a major inconvenience for the owners or occupiers of a premise to wheel their Waste Receptacles to the public verge.

5.12. Where waste collection services are offered along private roads, an appropriate agreement must be entered into, between the City and the owners or occupiers of the premise prior to commencement.

5.13. The Authorised Officer reserves the right to review the suitability of collection service(s) routes on public and private roads, along with the level of service to customers, and may amend them to suit current conditions following these reviews.

5.14. MGBs must be placed out by 0600hrs on the morning of the collection day, at least 0.5m apart, in a position which is clear of obstacles and enables safe collection.

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5.16. The City is unable to assist owners or occupiers of premises to wheel their Waste Receptacles to or from the place of collection.

## 6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *City of Busselton Waste Local Law 2016*
- 6.2. *Local Government Act 1995*;
- 6.3. *Waste Avoidance and Resource Recovery Act 2007*

## 7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE	<u>30/10/2019</u>	Resolution #	<u>C1910/212</u>
Previous Adoption	DATE	<u>30/10/2019</u> <u>10/05/2017</u>	Resolution #	<u>C1910/212</u> <u>C1705/102</u>

## **7 CONFIDENTIAL MATTERS**

Nil

## **8 NEXT MEETING DATE**

Wednesday 15 May 2024

## **9 CLOSURE**