

FIN003 – Purchasing & Payment Policy

1. POLICY CERTIFICATION

Policy title:	Purchasing & Payment Policy
Policy number:	FIN003
Category:	Policy
Classification:	Finance
Status:	APPROVED

2. PURPOSE

This document is prepared in accordance with the *Local Government Act* and set out *Roper Gulf Regional Council’s* (RGRC) policy for the acquisition of goods and services.

3. ORGANISATIONAL SCOPE

This policy applies to all contracting and procurement activities and is binding upon Councillors, all Council employees, contractors and consultants engaged by the council.

4. POLICY STATEMENT

The objectives of this Policy are to:

- 4.1 Achieve value for money and quality in the acquisition of goods, services and works;
- 4.2 Achieve compliance with relevant legislation.
- 4.3 Achieve compliance with the Council Conflict of Interest Policies ADM011 and ADM025.
- 4.4 Achieve high standards of probity, transparency, accountability and risk management.
- 4.5 Take a long term strategic view of its procurement that support Council’s corporate strategies, aims and objectives;
- 4.6 Providing reasonable opportunity for competitive local businesses that comply with relevant legislation to supply to council, and
- 4.7 Where price, quality, services standards and delivery is comparable to other suppliers, preference will be given to suppliers that:
 - 4.7.1 Demonstrate high levels of social responsibility including supporting people with disabilities or special needs.
 - 4.7.2 Have in place or are prepared to consider implementing employment strategies and programs for Indigenous people.
 - 4.7.3 Demonstrate sustainable business practices.
 - 4.7.4 Prioritise the supply of Australian made products

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5. DEFINITIONS

Purchase Order(PO)	A Purchase Order is Formal Document Initiated by the buyer and forwarded to the Supplier, This forms the basis for the one-off Contract between the parties for the Supply of Good Or Services to the Buyer.
Council	Roper Gulf Regional Council
The Region	The region of Roper Gulf
Immediate family member	Immediate family member includes: (a) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the employee; or (b) a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the employee

6. PURCHASING PROCEDURE

- 6.1 All the Council’s Procurement activities must comply with this policy. The only exception is procuring for an emergency situation.
- 6.2 Purchase of all goods, services and works for which the estimated expenditure exceeds \$100,000, a public tender must be undertaken.

Council may also undertake a public tender where the value of goods, works and services does not reach the threshold sums. These may be situations where a public tender is preferred or prudent, managing risk considerations are paramount, or there is a desire for greater transparency of the procurement.

- 6.3 An exemption can be obtained from the Department of Local government to not go to public tender. This must be discussed and documented by the relevant manager endorsed by the Director of Corporate Governance and the Chief Executive Officer
- 6.4 At least three (3) written quotations are required for purchase of goods and services with a value between \$10,000 and \$ 100,000.

Procurement activities must not be split into smaller amounts to circumvent the thresholds.

- 6.5 Based on the Accounting Regulation 30(1) (a) (ii), three quotes are not required when a supply of service is a consultancy or other professional services.

7. AUTHORITY TO APPROVE PURCHASE ORDERS

- 7.1 After the careful evaluation of Quotes, Purchase Orders will be issued for the successful supplier.

All suppliers are instructed not to supply goods unless they make reference to Council’s official purchase order number. If a supplier supplies goods without a purchase order number, and produces an invoice to Council without reference to an official purchase order number, then Council reserves the right to refuse payment for those goods or services.

- 7.2 The delegations for purchase order approval at the Council is in accordance *Roper Gulf Regional Financial Delegations Manual* summarised in Table 1

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Table 1 Purchase order Approval Delegations

Amount	Approving Delegate
Greater than \$ 50,000	Chief Executive Officer
Up to \$ 50,000	Directors
Up to \$ 10,000	Managers
UP to \$ 10,000	Assistant Managers, Financial Accountant, Management Accountant, Workshop Coordinators
Up to \$ 2,500	WH&S Coordinator, Senior/Council Services Coordinator
Up to \$ 1,000	Finance Officers , Executive Assistant to CEO or Director, HQ Administration Support Officers and Contracts and Project Officers

7.3 No Employee or immediate family member is permitted to authorise a purchase order which directly benefits them.

8. PURCHASES USING CORPORATE CREDIT CARDS

- 8.1 Corporate credit cards must only be used for the purchase of goods and services for the Council.
- 8.2 **Credit Card Limits:** Based on the recommendation of Manager of Finance. Limits will be set on the credit card limit and the maximum value per transaction.
- 8.3 **Card Holders Responsibility:** All the card holders are responsible for the transactions on their card. All credit cardholders must submit the necessary supporting documentation for all the corporate credit card purchases to the finance department.

9. PURCHASES USING PETTY CASH

- 9.1 Petty cash may be used to for the purchase of small goods for urgent need. The maximum value of the purchases with petty cash is \$50.00.
- 9.2 Splitting Purchases to circumvent the limit is not allowed.
- 9.3 Petty cash claims are to be approved by Authorised Manager or Supervisor. Record of claims and tax invoices are to be maintained.
- 9.4 The petty cash accounts are reconciled on periodic basis; the Manger of Finance is responsible to ensure that petty cash usage is in compliance with all aspects of purchasing.

10. PURCHASES WITH PERSONAL FUNDS (EXPENSE REIMBURSEMENTS):

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- 10.1 On certain occasions personal funds may be used by the staff to make purchase for Council's business.
- 10.2 In such circumstances, employees should fill out an Expense Reimbursement Form and get it authorised by their Direct Manger or Supervisor.
- 10.3 All authorised and completed claim forms along with the original tax Invoices must be forwarded to the Finance Department for payment.

11. BUDGETARY PROVISIONS

- 11.1 Procurement must be in accordance with the adopted Annual Budget or a Council Resolution and sufficient funds must be available to meet the full cost of the proposed procurement.

12. WORK HEALTH AND SAFETY (WH&S)

- 12.1 Council takes Work Health & Safety issues very seriously and undertake due diligence assessments on all suppliers to ensure compliance to legislative and business requirements.
- 12.2 All suppliers are required to comply with all the work health and safety legislative requirements.
- 12.3 These requirements are mandatory and non-compliance will disqualify prospective suppliers.
- 12.4 All the suppliers are required to provide evidence of public liability insurance.

13. PAYMENT TERMS

- 13.1 Payment terms are 30 days from the date on the invoice, unless otherwise arranged and agreed.

14. REFERENCES

Acknowledgements(original author/source documents)	
Related Policies	FIN001 Financial Delegations Manual ADM011 Conflict of Interest - Members ADM025 Conflict of Interest - Staff
Related Publications	107-010 Expense Reimbursement Form

15. DOCUMENT CONTROL

Policy number	FIN003
Policy Owner	Finance Manager
Endorsed by	FCM
Date approved	30 May 2012, May 2017
InfoXpert ID	673945
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Next revision due	May 2020
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16. CONTACT PERSON

Position	Manager, Governance and Corporate Planning
Contact number	8972 9000