



C CELL PTY LTD AS TRUSTEE

C CELL UNIT TRUST

PROCUREMENT POLICY

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1 INTRODUCTION

The Trustee's Procurement Policy aims to:

- promote fair and open competition and seek value for money for the Trustee;
- promote honesty and equity in the treatment of suppliers of goods and services;
- ensure efficient and effective processes to facilitate the accountable procurement of goods and services for the Trustee;
- establish and maintain procedures to ensure that fair and equal consideration is given to quotations received;
- protect commercial-in-confidence information; and
- satisfy recognised accountability standards.

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

2 QUOTATION PROCEDURES - GENERAL

Quotation procedures potentially apply to all the Trustee's procurement of goods and services.

Other than the Exemption categories and Preferred Supplier Arrangements outlined in Sections 4 and 5 below, and subject to the appropriate authorisations, quotations are to be sought for all procurements as outlined in Section 3 Procurement Thresholds and Procurement Procedures - Detail.

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

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

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

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

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

3 PROCUREMENT THRESHOLDS & PROCEDURES - DETAIL

There are four procurement thresholds. Their GST exclusive thresholds are:

- Less than \$5,000
- Between \$5,000 and \$49,999
- Between \$50,000 and \$249,999
- \$250,000 and above

In all instances, the lowest price quote must be accepted unless there are clear reasons for not doing so (e.g. technical requirements, timing etc.). Such reasons must be documented.

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

A purchase order must be raised for all purchases of \$5,000 or more. Please refer to SWS' Delegations Matrix to determine which employees are authorised to raise purchase orders.

The following outlines the details of the thresholds, and summarises the procurement practices and procedures to be applied based on the total GST exclusive dollar value of the purchase. These requirements will be applied to the procurement of all goods and services except in certain identified circumstances. The circumstances in which the following requirements need not be followed are described under Section 4 Exemptions, and Section 5 Preferred Supplier Arrangements.

Purchases less than \$5,000 (GST exclusive)

Two oral quotes are to be sought and recorded for all purchases over \$999.

Purchases between \$5,000 and \$49,999 (GST exclusive)

Two written quotes are to be sought and recorded for all purchases falling within this category.

A purchase order must be raised for all purchases of \$5,000 or more. Please refer to the Delegations Matrix to determine which employees are authorised to raise purchase orders.

Purchases between \$50,000 and \$249,999 (GST exclusive)

At least 3 written quotes must be sought. These quotes can be obtained by direct contact with potential suppliers. Where it is considered appropriate (after considering the number of potential suppliers, any urgency associated with the work etc.) an advertisement inviting quotations may be placed in the Mercury.

A purchase order must be raised for all purchases of \$5,000 or more. Please refer to the Delegations Matrix to determine which employees are authorised to raise purchase orders.

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

In accordance with section 333A of the Local Government Act 1993 (the Act) the Trustee must invite tenders for any contract for the purchase of goods or services valued at or over \$250,000 (GST exclusive). The Trustee's Code for Tenders and Contracts must be applied.

4 EXEMPTIONS

The Act provides for some exemptions to the public tender process, and these exemptions are set out in the Regulations. These Regulations form the basis of exemption categories to be applied to this procurement policy for procurements of less than \$250,000.

SWS' Chief Executive Officer may choose to not use the quotation process outlined in this procurement policy where the goods and services sought cost less than \$250,000 excluding GST and relate to:

- an emergency if, in the opinion of SWS' Chief Executive Officer, there is insufficient time to obtain quotes for the goods or services required in that emergency;
- a contract for goods or services obtained through, or supplied or provided by an agency of a State or of the Commonwealth;
- a contract for goods or services supplied or provided by a council, a single authority, a joint authority or the Local Government Association of Tasmania;
- a contract for goods or services in respect of which a council is exempted under another Act from the requirement to obtain quotes; or
- a contract arising when the Trustee is directed to acquire goods or services due to a claim made under a contract of insurance.

The exercise of these exceptions must be clearly documented, and where appropriate justified in writing on the purchase order and/or elsewhere as appropriate.

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

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

As provided by the provisions of the Act, SWS' Chief Executive Officer may determine the relevance of similar emergency circumstances under the emergency exemption category.

The use of the following exemption categories for purchases of less than \$250,000 may only be authorised by SWS' Chief Executive Officer:

- a contract for goods or services that is entered into at public auction; and
- a contract of employment with a person as an employee of the Trustee; and
- any other exemption provided for under the Act or other legislation.

SWS' Chief Executive Officer is to report any use of these exemptions to the Board at its next regular meeting.

5 PREFERRED SUPPLIERS

It is recognised that circumstances may exist where the Trustee is best served by the provision of goods and services by preferred suppliers. These circumstances will usually be limited to specialised goods and services. Under the following circumstances, the purchase of goods and services of less than \$250,000 may be made without obtaining quotes:

- where it can be established that there is only one supplier of a particular product or service and there is no appropriate substitute available, or where alternative options are not suitable or do not provide value for money;
- where there is an existing contract between the Trustee and the supplier for the supply of related products or services;
- where an original product or service was selected through an open tender process and the request for exemption relates to the proposed purchase of an upgrade or addition to an existing asset or system, and there are limited supply options;
- the product is being tested/trialled to assist in the evaluation of its performance prior to a large-scale purchase for which open tenders will be called;
- to assist in the development of a new product/process in conjunction with a private sector business;
- where the Department of Treasury and Finance has established whole-of-Government contracts for the supply of goods or services to agencies and other authorised organisations; or
- where the provision of goods and services are of a specialised nature that requires a high level of familiarity with the Trustee and its operations (e.g. specialist consultants, legal services, specific training needs, supplier of goods for emergency repairs etc.).

Conditions for this category:

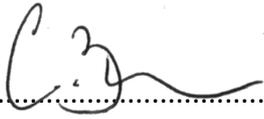
Use of preferred supplier arrangements can only be authorised for purchases of less than \$250,000 and by employees in accordance with the thresholds and conditions included in the Approval of Payments section of SWS' Delegations Matrix.

For example, use of preferred supplier arrangements for a purchase exceeding \$10,000 but less than \$50,000 (excluding GST) may be authorised by:

- SWS' Manager Operations in consultation with SWS' Chief Executive Officer;
or
- SWS Chief Executive Officer.

6 FURTHER INFORMATION AND DATE OF REVIEW

Please contact SWS' Chief Executive Officer swstas@me.com or 0408 253 770.

Policy authorised by: 

Date: 12/11/2018

Date to be reviewed: November 2022