



Policy Manual

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Procurement Policy

1. PURPOSE

The WSNF, acting on behalf of the Shire of Kellerberrin (the “Shire”) is committed to applying the objectives, principles and practices outlined in this Policy, to all purchasing activity and to ensure alignment with the Shire’s strategic and operational objectives.

2. SCOPE

This policy is applied to the WSNF Program Director, WSNF Program Manager, Executive Officer or any other subsequent employees employed by WSNF.

3. STRATEGIC CONTEXT

This policy links to core drivers:

- relationships that bring the key deliverables of each project to effect, with tangible benefits to the Shires we deliver to and their respective communities.
- planning and decision making for the future of the program, reliant on evidence-based analysis.
- a communication strategy for engagement with suppliers and key stakeholders.
- roles and responsibilities; and
- a framework for managing and reviewing existing arrangements.

4. POLICY STATEMENT

The WSNF purchasing activities will:

- a) Achieve best value for money that considers sustainable benefits, such as environmental, social economic factors.
- b) Use consistent, efficient, and accountable purchasing processes and decision making, including competitive quotation processes, assessment of best value for money and sustainable procurement outcomes for all purchasing activity, including tender exempt arrangements.
- c) Apply fair and equitable competitive purchasing processes that engage potential suppliers impartially, honestly, and consistently.
- d) Commit to probity and integrity, including the avoidance of bias and of perceived and actual conflicts of interest.
- e) Comply with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996, other relevant legislation, Codes of Practice, Standards and the Shire’s Policies and procedures. Ensure purchasing outcomes contribute to efficiencies (time and resources) for the Shire of Kellerberrin and the WSNF Program.
- f) Ensure records evidence purchasing activities in accordance with the State Records Act 2000 and the Shire’s Record Keeping Plan.
- g) Ensure confidentiality that protects commercial-in-confidence information and only releases information where appropriately approved.

Ethics and Integrity

All officers and employees of WSN shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- Full accountability shall be taken for all purchasing decisions and the efficient, effective, and proper expenditure of public monies based on achieving value for money.
- All purchasing practices shall comply with relevant legislation, regulations, and requirements.
- Purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly, and consistently.
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements.
- Any actual or perceived conflicts of interest are to be identified, disclosed, and appropriately managed; and
- Any information provided to the WSN by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Value for Money

The WSN will apply value for money principles in critically assessing purchasing decisions and acknowledges that the lowest price may not always be the most advantageous.

Assessing Value for Money

Value for money assessment will consider:

- a) all relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, and other costs such as, but not limited to, holding costs, consumables, deployment, training, 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. This includes but is not limited to an assessment of compliances, the supplier's resource availability, capacity, and capability, value-adds offered, warranties, guarantees, repair and replacement policies and response times, ease of inspection and maintenance, ease of after sales service, ease of communications, etc.
- c) the supplier's financial viability and capacity to supply without the risk of default, including the competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history.
- d) a strong element of competition by obtaining a sufficient number of competitive quotations consistent with this Policy, where practicable.

Purchasing Thresholds and Practices

Defining the Purchasing Value

The WSFN will apply reasonable and consistent methodologies to assess and determine Purchasing Values, which ensure that:

- a) the appropriate purchasing threshold and practice is applied in all purchasing activities; and
- b) wherever possible, purchasing activity for the same category of supply is aggregated into single contract arrangements to achieve best value and efficiency in future purchasing activities where the requirements can be provided by a single supplier.

A **category of supply** can be defined as groupings of similar goods or services with common:

- supply and demand drivers.
- market characteristics,
- or suppliers.

Strategic Purchasing Value Assessments

WSFN will periodically review recent past purchasing activity across its operations to identify categories of supply for which the WSFN will have continuing need, and which can be aggregated into single contract arrangements to achieve best value for money and efficiency in future purchasing activity.

The assessment of aggregated expenditure for the same category of supply capable of being supplied by a single supplier will determine the Purchasing Value threshold applicable to future purchasing activity.

Individual Purchasing Value Assessments

In any case, where there is no relevant current contract, each purchasing activity is to assess the Purchasing Value based upon the following considerations:

- a) Exclusive of Goods and Services Tax (GST); and
- b) The estimated total expenditure for the proposed supply including the value of all contract extension options and where applicable, the total cost of ownership considerations.
- c) The appropriate length of a contract is to be determined based on market volatility, ongoing nature of supply, historical purchasing evidence and estimated future purchasing requirements.
- d) Requirements must not be split to avoid purchasing or tendering thresholds [*F&G Reg. 12*].

The calculated estimated Purchasing Value will determine the applicable threshold and purchasing practice to be undertaken.

Table of Purchasing Thresholds and Practices

This table prescribes Purchasing Value Thresholds and the applicable purchasing practices which apply to the Shire's purchasing activities:

**Purchase Value
Threshold (ex
GST)**

Purchasing Practice

*Up to \$5,000
(ex GST)*

Obtain at least one (1) verbal or written quotation from a suitable supplier in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).

*From \$5,001 and
up to \$20,000
(ex GST)*

Seek at least three (3) verbal or written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).

If purchasing from a WALGA PSA, CUA or other tender exempt arrangement, a minimum of one (1) written quotation is to be obtained.

The purchasing decision is to be based upon assessment of the supplier's response to:

- a)** a brief outline of the specified requirement for the goods; services or works required; and
- b)** Value for Money criteria, not necessarily the lowest price.

Purchase Value Threshold (ex GST)

Purchasing Practice

From \$20,001 and up to \$50,000 (ex GST)

Seek at least three (3) written quotations from suitable suppliers in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1) except if purchasing from a WALGA PSA, CUA or other tender exempt arrangement, where a minimum of one (1) written quotation is to be obtained.

The purchasing decision is to be based upon assessment of the suppliers' responses to:

- a) a brief outline of the specified requirement for the goods; services or works required; and
- b) Value for Money criteria, not necessarily the lowest quote.

From \$50,001 and up to \$250,000 (ex GST)

Seek at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1).

- a) The purchasing decision is to be based upon assessment of the supplier's response to:
- b) a detailed written specification for the goods, services or works required; and
- c) pre-determined selection criteria that assess all best and sustainable value considerations.

Over \$250,000 (ex GST)

- Tender Exempt arrangements (i.e., WALGA PSA, CUA or other tender exemption under F&G Reg.11(2)) require at least three (3) written responses from suppliers by invitation under a formal Request for Quotation in accordance with the Supplier Order of Priority detailed in clause 1.4.2(1); or
- Public Tender undertaken in accordance with the Local Government Act 1995 and relevant Shire Policy and procedures.
- The Tender Exempt or Public Tender purchasing decision is to be based on the supplier's response to:
 - A detailed specification; and
 - Pre-determined selection criteria that assess all best and sustainable value considerations.

Inviting tenders (though not required to do so)

The Shire may determine to invite Public Tenders, despite the estimated Purchase Value being less than the \$250,000 prescribed tender threshold, but only where an assessment determines that the purchasing requirement cannot be met through a tender exempt arrangement and the use of a public tender process will enhance value for money, efficiency, risk mitigation and sustainable procurement benefits.

In such cases, the tender process must comply with the legislative requirements and the Shire's tendering procedures [F&G Reg. 13].

Expressions of Interest

Expressions of Interest (EOI) will be considered as a prerequisite to a tender process [F&G Reg.21] where the required supply evidence one or more of the following criteria:

- a) Unable to sufficiently scope or specify the requirement.
- b) There is significant variability for how the requirement may be met.
- c) There is potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be obtained, specified, created, or delivered.
- d) Subject to a creative element; or
- e) Provides a procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.

All EOI processes will be based upon qualitative and other non-price information only.

Unique Nature of Supply (Sole Supplier)

An arrangement with a supplier based on the unique nature of the goods or services required or for any other reason, where it is unlikely that there is more than one (1) potential supplier may only be approved where the:

- a) purchasing value is estimated to be over \$5,000; and
- b) purchasing requirement has been documented in a detailed specification; and
- c) specification has been extensively market tested and only one potential supplier has been identified as being capable of meeting the specified purchase requirement; and
- d) market testing process and outcomes of supplier assessments have been evidenced in
- e) records, inclusive of a rationale for why the supply is determined as unique and why quotations / tenders cannot be sourced through more than one potential supplier.

An arrangement of this nature will only be approved for a period not exceeding one (1) year. For any continuing purchasing requirement, the approval must be re-assessed before expiry, to evidence that only one (1) potential supplier still genuinely exists.

Anti-Avoidance

The WSFN will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of "splitting" the purchase value or the contract value, so that the effect is to avoid a particular purchasing threshold or the need to call a Public Tender.

This includes the creation of two (2) or more contracts or creating multiple purchase order transactions of a similar nature.

Contract Renewals, Extensions and Variations

Where a contract has been entered into as the result of a publicly invited tender process, then Functions and General Regulation 21A applies. For any other contract, the contract must not be varied unless:

- a) the variation is necessary for the goods or services to be supplied and does not change the scope of the contract.
- b) the variation is a renewal or extension of the term of the contract where the extension or renewal options were included in the original contract; and
- c) authorised by the Chief Executive Officer by delegation to the value of no more than 10% of the contract value or the extension or renewal options were included in the original contract for all tendered contracts.
- d) authorised by the Chief Executive Officer by delegation for all operational contracts.

Upon expiry of the original contract, and after any options for renewal or extension included in the original contract have been exercised, the WSN Program Director is, in conjunction with the Shire, required to review the purchasing requirements and commence a new competitive purchasing process in accordance with this Policy.

5. SUSTAINABLE PROCUREMENT

WSN is committed to implementing sustainable procurement by providing a preference to suppliers that demonstrate sustainable business practices (social advancement, environmental protection, and local economic benefits).

WSN will apply Sustainable Procurement criteria as part of the value for money assessment to ensure that wherever possible our suppliers demonstrate outcomes which contribute to improved environmental, social, and local economic outcomes for the Shire.

Sustainable Procurement can be demonstrated as being internally focussed (i.e. operational environmental efficiencies or employment opportunities and benefits relating to special needs), or externally focussed (i.e. initiatives such as corporate philanthropy).

Requests for Quotation and Tenders will include a request for Suppliers to provide information regarding their sustainable practices and/or demonstrate that their product or service offers enhanced sustainable benefits.

6. RECORD KEEPING

All Local Government purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the State Records Act 2000.

7. PURCHASING POLICY NON-COMPLIANCE

Where legislative or policy compliance is not reasonably able to be achieved, records must evidence the rationale and decision-making processes that substantiate the non-compliance.

Purchasing activities are subject to internal and external financial and performance audits, which examine compliance with legislative requirements and the Shire's policies and procedures.

If non-compliance with legislation, this Purchasing Policy or the Code of Conduct, is identified it must be reported to the Chief Executive officer or the Deputy Chief Executive officer. A failure to comply with legislation or policy requirements, including compliance with the Code of Conduct when undertaking purchasing activities, may be subject to investigation, with findings to be considered in context of the responsible person's training, experience, seniority and reasonable expectations for performance of their role.

Where a breach is substantiated, it may be treated as:

- a) an opportunity for additional training to be provided.
- b) a disciplinary matter, which may or may not be subject to reporting requirements under the Public Sector Management Act 1994; or
- c) where the breach is also identified as potentially serious misconduct, the matter will be reported in accordance with the Corruption, Crime and Misconduct Act 2003.

8. RELATED LEGISLATION/ DOCUMENTATION

- Local Government Act 1995 (as amended)
- Local Government Act (Functions and General) Regulation 1996 (as amended in March 2007).
- Corruption, Crime and Misconduct Act 2003
- Public Sector Management Act 1994
- State Records Act 2000

9. WSFN REVISION

Version	WSFN SC Adoption Date	Resolution #MIN	Responsible Officer:
#1			WSFN Program Director

Annual Performance Review

1. PURPOSE

The purpose of this policy is to guide the WSNF Steering Committee's annual performance and remuneration review process for the WSNF Program Director, WSNF Program Manager and WSNF Executive Officer.

2. SCOPE

This policy is applied by the WSNF and its employees.

3. STRATEGIC CONTEXT

This policy links to WSNF core drivers:

- relationships that bring the key deliverables of each project to effect, with tangible benefits to the Shires we deliver to and their respective communities.
- planning and decision making for the future of the project, reliant on evidence-based analysis.
- a communication strategy for engagement with suppliers and key stakeholders.
- roles and responsibilities; and
- a framework for managing and reviewing existing arrangements.

4. POLICY STATEMENT

- Section 5.38 of the Local Government Act 1995 requires the Shire of Kellerberrin with the WSNF Steering Committee to review the performance of the WSNF Program Director at least once each year.
- In addition, the WSNF Director is required to review the performance of the WSNF Program Manager and Executive Officer.

Performance Review

- The WSNF Program Director shall establish a Performance Review process which shall be appointed by resolution of the WSNF Steering Committee.
- The performance review will comprise of the WSNF Program Director and the relevant WSNF employee to assist with the conduct of the review process; Manage the WSNF Employee, review the results of the performance review process and remuneration review and discuss possible KPIs and measurements with the WSNF Employee for reporting to the WSNF Steering Committee arising from any performance review process.
- It is incumbent upon the WSNF Employee to actively participate in the Performance Review process and to provide feedback in accordance with the provisions of this policy.
- The WSNF Program Director is responsible for overseeing the performance review process and ensuring that a final review report is presented to the WSNF

Steering Committee to conclude the process within 3 months of the completion of the former KPI review period.

- If the anniversary date does not align with the financial year, then over a period agreed between the WSFN Program Director and the Employee, the KPI review period (inclusive of remuneration review) will be transitioned to align with the financial year.
- To give effect to clause 4.1, the WSFN Program Director and the Employee may agree to conduct a performance review(s) for a period of less than 12 months based on KPIs that align to that same duration of time.

5. WSFN REVISION

Version	WSFN SC Adoption Date	Resolution #MIN	Responsible Officer:
#1			WSFN Program Director

Consumption of Alcohol within WSNF Facilities

1. PURPOSE

The purpose of this policy is to control the consumption of alcohol within WSNF controlled Public Facilities.

2. SCOPE

This policy is applied to the WSNF Program Director, WSNF Program Manager, Executive Officer or any other employees or guests of WSNF attending work related events at the offices of WSNF.

3. STRATEGIC CONTEXT

This policy links to core drivers:

- relationships that bring the key deliverables of each project to effect, with tangible benefits to the Shires we deliver to and their respective communities.
- planning and decision making for the future of the project, reliant on evidence-based analysis.
- a communication strategy for engagement with suppliers and key stakeholders.
- roles and responsibilities; and
- a framework for managing and reviewing existing arrangements.

4. RELATED LEGISLATION/DOCUMENTATION

N/A

5. WSNF REVISION

Version	WSNF SC Adoption Date	Resolution #MIN	Responsible Officer:
#1			WSNF Program Director

Occupational Health & Safety Specific Requirements

1. PURPOSE

The purpose of this policy is to demonstrate this commitment to workplace safety, a copy of this policy shall be included in all tender documentation issued to vendors of plant and equipment as well as to the providers of equipment hired by the WSNF or its employees.

2. SCOPE

This policy is applied to WSNF employees and its elected Technical and Steering Committee members and any visiting guests.

3. STRATEGIC CONTEXT

This policy links to core drivers:

- relationships that bring the key deliverables of each project to effect, with tangible benefits to the Shires we deliver to and their respective communities.
- planning and decision making for the future of the project, reliant on evidence-based analysis.
- a communication strategy for engagement with suppliers and key stakeholders.
- roles and responsibilities; and
- a framework for managing and reviewing existing arrangements.

4. POLICY STATEMENT

Implementation of this policy complies with the obligation to ensure safe systems of work to reduce the risk of injury and ill-health of employees and all hazards must be identified, assessed, and controlled.

- 1. Hazard Identification** ensures all possible risks to employees from the purchase or hire of equipment are recognised and considered **before** purchase or hire is finalised.
- 2. Hazard Assessment** enables the likelihood of injury and the severity of injury to be assessed.
- 3. Hazard Control** recommends possible courses of action to minimise all risks based on the recognised hierarchy of hazard control with elimination being the most desirable and substitution the next option. Engineering controls may also be relevant.

The above three step hazard management system is relevant to all WSNF operations.

4. The safety and health representative **before** purchase or hire of any plant and equipment. The workshop supervisor may also attend these assessments as his knowledge and expertise would be relevant to the maintenance schedule and any suggested alterations and modifications.

The Occupational Health and Safety Act 1995 and Occupational Safety and Health Amendment legislation 1995 make specific reference to the obligations of manufacturers and suppliers of equipment:

When inspecting plant and equipment, either for purchase or hire, there are a number of areas that need to be taken into consideration to minimise risk to employees.

Ergonomics

1. **Seating** - needs to be comfortable and able to support the operator without sagging. Appropriate lumbar support should be incorporated in seat design plus adjustments available to accommodate all sizes of operators.
2. **Operating controls** - should be located within easy reach to minimise operator stretching, bending, and twisting movements. Controls should be light in movement to minimise strain and muscular effort. Steering wheel positioning should be adjustable to suit all sizes of operators and there must be sufficient distance from the operator's thighs and the steering wheel.
3. **Access and egress** - hand holds and steps should be located to enable ease of entry and exit from the cab.
4. **Noise** levels both inside and outside the cab should be assessed. Exposure to excessive noise levels can result in permanent hearing loss and also contributes to fatigue. Employers are obliged to reduce noise levels as far as practicable at the workplace. Noise level measurements of the item of plant or equipment should be provided by the supplier before purchase or hire to ascertain the risk to employees operating the equipment as well as employees and /or members of the public who may be in the vicinity at the times of operation.
5. **Dust and moisture control** - Cabs must be sealing correctly to minimise penetration of dust and moisture. Adequate ventilation is essential for operator comfort.
6. **Thermal comfort** - Adequate ventilation is essential and wherever possible air-conditioning should be installed and tinted glass for those items with large areas of glass. Heaters should be fitted to enable comfort in colder conditions and demisting facilities to enable clear visibility.
7. **Vibration** - Cabs should be mounted to minimise vibrations transmitted from road surfaces. Correct suspension seating also absorbs vibration and improves operator comfort.
8. **Lighting** - Work lights should be positioned to light up the required work area of the equipment e.g. the road sweeper lights should be positioned so that the operator can clearly see the gutter line and channel brushes while operating.
9. **Visibility** - from the vehicle should be assessed to ensure a clear field of view in all directions with any possible blind spots identified.

- 10. Passenger comfort** - should be taken into consideration if more than two people are to travel in the vehicle. Most trucks only cater well for two people with a small centre seat over the engine cowling for the third person. To avoid discomfort for the third person it is undesirable for this middle seat to be used for any great length of time.

5. RELATED LEGISLATION/ DOCUMENTATION

N/A

6. WSFN REVISION

Version	WSFN SC Adoption Date	Resolution #MIN	Responsible Officer:
#1			WSFN Program Director

Work, Health and Safety (WHS) Policy

1. PURPOSE

The WSNF in accordance with Shire of Kellerberrin Policies, will plan and conduct works in such a manner that the health, safety and welfare of persons is given the highest level of protection, so far as is reasonably practicable, including for:

- a) any members of the community, or other persons, who may be affected by works undertaken.
- b) all workers, whilst engaged in the performance of works; and
- c) all visitors to our workplaces.

2. SCOPE

This policy is applied to all WSNF employees as well as WSNF Technical and Steering Committee members or any visitors to the WSNF offices.

3. DEFINITIONS

TERM	MEANING
Employees	Person performing work with the WSNF or associated to the Shire of Kellerberrin
WHS	Work Health and Safety
Visiting CEO	A CEO of any of the 42 Shires who may use the WSNF offices for work purposes or meetings.
Visiting Councillors	A Councillor of any of the 42 Shires who may use the WSNF offices for work purposes or to attend Technical Committee or Steering Committee meetings.

4. STRATEGIC CONTEXT

This policy links to core drivers:

- relationships that bring the key deliverables of each project to effect, with tangible benefits each Shire's respective communities.
- planning and decision making for the future of the project, reliant on evidence-based analysis.
- a communication strategy for engagement with suppliers and key stakeholders.
- roles and responsibilities; and
- a framework for managing and reviewing existing arrangements.

5. POLICY STATEMENT

WSNF understands and accepts responsibilities imposed under Workplace Health and Safety (WHS) legislation and is committed to providing healthy and safe working conditions, which are aimed at the prevention of work-related injuries or ill health.

Consistent with this, WSFN will:

- Provide and maintain a healthy and safe work environment through the proactive identification of work-related hazards and elimination of these where possible, or reduction of associated risk level through the application of the hierarchy of risk.
- controls where hazards cannot be eliminated.
- Strive to achieve high standards and continuous improvement in work health and safety performance by using best practice procedures and considering current levels of technical knowledge and development.
- Comply with all applicable legislation and requirements.
- Establish, implement, and maintain a Work Health and Safety Management System, including measurable objectives and targets aimed at elimination of work-related injury and illness.
- Ensure that all workers and other persons within the workplace are fully informed of potential hazards and associated risk control measures, including through a process of training, instruction, information sharing and supervision as applicable.
- Effectively communicate and consult with all WHS duty holders, including workers and their representatives, to ensure that everyone within the workplace is offered the opportunity to participate in the ongoing development of a healthy and safe workplace; and
- Ensure that all workers, are fully aware of their responsibility to take reasonable care to safeguard their own health and safety at work and to avoid adversely affecting the health or safety of others through any act or omission at work; and
- report hazards, accidents, incidents, and near misses to their supervisor.

6. RELATED LEGISLATION/ DOCUMENTATION

N/A

7. WSFN REVISION

Version	WSFN SC Adoption Date	Resolution #MIN	Responsible Officer:
#1			WSFN Program Director

*** DOCUMENT ENDS ***