

WACC POLICY

PURCHASING

Issued by the General Secretary

2021

General

1. The primary purpose of this policy is to ensure that goods and services purchased by the Association provide value for money.
2. The policy defines a purchasing procedure and allocates responsibilities relating to that procedure; but, it includes flexibility because it is recognised that adherence to a procedure has a cost associated with it, and if such cost is significant when compared to the value of what is being purchased the procedure will not have achieved its objective.
3. In making purchasing decisions, a large number of factors must be taken into account, including price, quality, quantity, reliability, availability, and, where appropriate, ethical and environmental considerations.
4. This policy applies to all contracting and sub-contracting, other than services provided under WACC's Small Projects scheme and personnel services such as temporary office staff.
5. Health and Safety must be considered in making any purchasing decision.
6. The purchase of travel tickets is subject to the requirements of the Travel Policy.
7. Purchasing decisions must comply with the Conflict of Interest Policy.

Authority

8. As chief executive of the organisation, the General Secretary has overall responsibility for all aspects of WACC activities, including purchasing.
9. The Manager of Administration has been identified as WACC's Purchasing Agent, and has the responsibility for assisting staff to comply with this policy and for advising on the appropriateness of purchasing decisions.
10. The Purchasing Agent is authorised to make purchases on behalf of the Association provided the requirements of this policy have been met.
11. Other members of staff may make purchases, subject to the provisions of this policy, related to their area of responsibility when the goods or services are routinely purchased and are from the usual supplier of such or similar goods or services.
12. In the case of a genuine emergency, any member of staff may make a purchase in order to address the emergency and where such action would appear to be in the best interest of the Association.

Criteria

13. It is the responsibility of the person requesting a purchase to ensure that the purchase criteria specified in this Policy or otherwise established by the Association, are met. In the case of doubt, the matter should be referred to the Purchasing Agent.
14. A purchase must only be made if the goods or services are necessary for WACC to continue to operate and/or they will contribute to increased efficiency or cost savings.
15. An accurate determination of the specifications of any goods or services must be made in order to ensure that purchases are fit for purpose.
16. In deciding between different models of goods to be purchased and between different levels of service, consideration must be given to achieving the lowest overall cost to the Association, which includes the purchase price, delivery charge, likely maintenance costs, and replacement costs based on probable lifetime.
17. In deciding between different suppliers for required goods or services, overall cost will be the primary consideration; however, past performance by a supplier is an appropriate reason for deciding not to purchase from that source.
18. Where a number of items are to be purchased at the same time, the benefits of purchasing from a single supplier may override the need to evaluate the appropriateness of choosing the supplier for each item individually.
19. Availability is to be considered in purchasing decisions only when it impacts on securing the goods or services by the time that they are required.
20. Purchasing goods or services in quantities greater than the current needs of the Association may result in cost savings; however, it also exposes the Association to risks as needs and specifications may change. The Purchasing Agent is to be consulted before any purchase in a quantity greater than is expected to be utilised within the immediate future.

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21. Unless otherwise agreed by the Purchasing Agent, the total cost or the maximum cost of any purchase must be confirmed before any commitment to purchase is made; in particular, when a commitment to purchase at a per item price is made, an actual or maximum number of items to be purchased must be specified.
22. Where the price of any goods or services is negotiable, the Purchasing Agent must be consulted before any commitment to purchase is made, and will normally be involved in negotiations.

Pre-purchasing decisions

23. The Association may from time-to-time identify a manufacturer to be selected for a particular type or model of goods, or for a type of service, in order to:

- Ensure that performance, replacement parts, or consumables are consistent,
 - Meet warranty requirements, or
 - Maintain or enhance performance.
24. The Association may from time-to-time identify a supplier for particular goods or services for a number of reasons, such as:
- In order to ensure consistency (for example where the items to be purchased need to meet qualitative criteria),
 - Because there is only a single source (for example for maintenance of equipment by the supplier), or
 - When a preferred supplier has been identified (for example when a level of expertise is required).
25. The identification of a preferred manufacturer, model or supplier, known as a pre-purchasing decision, is to be made by the person who is normally responsible for making related purchases, in consultation with the Purchasing Agent.
26. Where a pre-purchasing decision has been made, such decision is to be referred to the Purchasing Agent for review from time-to-time.

Supply Contracts

27. Contracts and similar agreements for the supply of goods or services, including lease agreements, may be useful for ensuring availability, achieving reduced costs, or establishing consistency of service.
28. Only the General Secretary or the Purchasing Agent (for purchases valued at less than \$1000 per annum) may arrange supply contracts on behalf of the Association.
29. Every contract for the supply of goods or services must be for a specified period, and must be reviewed before being renewed.
30. Contracts which provide for non-specific price increases must include the right to cancel at the time the price increase is determined, unless a maximum increase in cost is specified.
31. Where a contract exists for the supply of goods or services, no purchase of such goods or services other than through the contract is to be made without the prior approval of the Purchasing Agent.

Other

32. The Association permits the purchase of goods by employees through the Association's purchasing process; however, such purchases can only be made:
- By the Purchasing Agent,

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- If the purchase is in conjunction with other purchases being made by the Association,
- Where there is no financial or other disadvantage to the Association, and
- With the prior approval of the General Secretary, if the value of the goods exceeds \$200.