



CITY OF BUNBURY
SURF LIFE SAVING CLUB INC.
**PROCEDURE STATEMENT
QUOTATION PROCEDURE**

PROCEDURE
NUMBER
1.8A
Oct 2021
Version: 0

1. INTRODUCTION

This procedure supports the Club's Procurement Policy and outlines the process for the procurement of all goods and services for the Club. This includes:

- a. capital works for the construction and improvement of facilities.
- b. IT projects and infrastructure.
- c. professional services and independent contractors; and
- d. tangible assets that are used in the operations of the club. Examples include, but are not limited to devices, machines, tools, equipment and vehicles.

This procedure should be read in conjunction with the Procurement Policy and the Tender Policy.

2. PROCEDURE

Pre-approval of Expenditure

- 2.1 Purchases valued up to \$300 do not require preapproval (Directors Discretion).
- 2.2 Club staff members who make purchases or approve expenditure on behalf of the Club must do so within the approved annual budget. Any staff member who incurs expenditure beyond or without an approved source of funds is accountable for that expenditure.

Quotation Thresholds

- 2.4 A competitive quotation process will be conducted for the procurement of all goods or services valued over \$5,000 (GST inclusive) up to \$25,000 (GST inclusive) for operational, construction and equipment expenditure to ensure the club obtains best value for money consistent with the principles outlined in the Procurement Policy.
- 2.5 NB: Procurement of goods or services cannot be split into parts or instalments to fall below the quotation threshold values. For any goods or services, the specified number and format of quotations is provided as a minimum requirement only. Depending on the nature of



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the procurement, it may be appropriate to confirm verbal quotations in writing, obtain more than the minimum number of quotations or undertake a tender process.

- 2.6 For goods or services valued less than \$300 (GST inclusive), No formal approval process is required (Director's discretion) but must ensure value for money.
- 2.7 For goods or services valued from \$300 to less than \$5,000 (GST inclusive), at least one written quotation must be obtained.
- 2.8 For goods or services valued from \$5,000 to \$25,000 (GST inclusive) at least two written quotations must be obtained.

Tender

- 2.9 Procurement of any goods or services valued at over \$25,000 (GST inclusive) for operational, construction and equipment expenditure or any procurement be assessed as presenting a significant risk to the Club, must be procured under the Tender Procedure.

3. ESTABLISHMENT OF SUPPLY RELATIONSHIPS

- 3.1 Procurement of most goods or services will be covered by the Club's existing supply and sponsorship relationships that are established on a qualified basis. However, for all non-budgeted goods or services valued from \$300 up to \$5,000 (GST inclusive) quotations must be obtained from these suppliers/sponsors unless an exemption is granted in accordance with Section 4 below.
- 3.2 Procurement of some goods or services will be covered by an exclusive, state-wide supply agreement. In such instances, additional quotations are not required as the procurement must be obtained from this supplier unless an exemption is granted in accordance with Section 4 below.



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4. EXEMPTIONS TO QUOTATION

- 4.1 Certain circumstances may justify or necessitate an exemption to the Club's quotation procedures such as:
- a. existing contractual arrangements for the same or similar goods or services;
 - b. functional, technical, logistic and/or geographic requirements;
 - c. alternative procurement methods offer better value for money and/or lower cost, risk and complexity; and/or
 - d. there is a sole supplier in the market.
- 4.2 An exemption to quotation may be approved by the Board of Management provided that there is adequate documentation to support the request.
- 4.3 No retrospective exemptions will be approved.

5. OBTAINING QUOTATIONS

- 5.1 A detailed specification must be prepared prior to obtaining quotations for new goods or services valued at over \$300.
- 5.2 Information to potential suppliers usually includes:
- a. a description of the goods or services to be procured;
 - b. detailed specifications as required;
 - c. quantity (units or hours as applicable);
 - d. contacts details for the relevant club area of operations;
 - e. delivery time or other requirements; and
 - f. point of delivery or performance as required.
- 5.3 Quotation documentation must be written such that it does not unduly limit the range of potential suppliers.
- 5.4 In instances when an exemption to quotation has been approved, the functional specification criteria must still be sufficiently detailed to



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confirm that the quotation meets the Club's requirements and offers best value for money.

5.5 Quotations should reflect details of freight, installation and any discounts if relevant.

5.6 Mailed, hand-delivered or emailed quotations will be accepted.

6. COMMUNICATION DURING THE QUOTATION PROCESS

Communications during the quotation process will be handled with due regard for probity - all potential suppliers will receive the same information and time for a response, and no single supplier will be given a potentially unfair advantage. This includes clarifications on any aspect of the quotation unless there are reasons relating to confidentiality or intellectual property.

7. NEGOTIATIONS DURING THE QUOTATION PROCESS

Negotiations will be undertaken to achieve an agreement that is fair, durable, meets the needs of both parties and maintains or improves the relationship between the parties. The Club will not attempt to lower the price by negotiating or trading between shortlisted or recommended suppliers. The Club will not engage in the practice of bid shopping.

8. APPROVAL OF RECOMMENDED SUPPLIER

8.1 The Board of Management reserves the right to accept a quotation other than the lowest submitted and in such cases the reasons will be clearly documented.

8.2 In the event that two quotations are equal, the successful one will be selected by giving preference to a local contractor over a contractor from outside the region.

9. RECORD-KEEPING

For procurements over \$5,000, details of the quotation process should be recorded against the purchase order in the finance system. All other documentation relating to the procurement should be retained by the relevant club operations area for audit purposes.



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10. ADVISING SUPPLIERS OF THE OUTCOME

Unsuccessful suppliers or contractors should be advised of the outcome of the quotation process. If requested, the name of the approved supplier may be released but not any details about the quotation.

11. PERFORMANCE OF SUPPLIERS

Poor performance on the part of a supplier or contractor should be reported to the Board of Management.

12. COMPLAINTS RESOLUTION

- 12.1 Any complaints arising from the Club's procurement activities will be addressed in accordance with the Club's Grievance Policy.
- 12.2 The implementation of and compliance with this procedure will be periodically audited as part of the Club's internal audit cycle.
- 12.3 Failure to comply with the provisions of this procedure and the relevant delegations will be taken very seriously.
- 12.4 This procedure will be reviewed by the Director of Finance at least once every three years with input from the Board of Management.