Official Purchase Orders Policy

1. Definitions
In the policy, unless the context otherwise indicates and requires, the following terms shall have the meanings respectively assigned to them:

“Authorised Officer” Any officer appointed by Clare & Gilbert Valleys Council who is authorised to act for the purposes of the Policy.

“Council” Clare & Gilbert Valleys Council

“Officer” An employee or Authorised Officer engaged by Clare & Gilbert Valleys Council in relation to a contract or any part or parts thereof.

Use of Gender
Words importing the singular number shall also include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and vice versa, and words importing persons shall include partnerships and companies and vice versa.

Goods and Services Tax
Every order or contract issued by the Council for the purchase of goods, services and works shall be issued while having due regard to the implications placed upon the Council by the Goods and Services Tax legislation. It shall be Council policy that preference shall be given to those suppliers that have complied with the Goods and Services Tax legislation and which allows Council to claim back the full value of the Input Tax benefit from the Australian Taxation Office.
2. General Principles

2.1 A financial commitment of Council will not be recognised unless it results from the issue of a properly approved purchase order or contract, except for those services for which issue of a purchase authority form may not be practicable (refer section 10).

2.2 A supply of unused purchase order forms are to be held securely at the Clare Administration Office and only issued upon request to Authorised Officers for appropriate signature.

2.3 The Authorising Officer prior to the purchase of plant, equipment or substances which may affect the health, safety or welfare of employees at the workplace, will consult with management and the duly elected health and safety representatives and if appropriate the Consultative Committee.

2.4 Where goods and services are to be purchased requiring specifications and guidelines, the Authorising Officer shall ensure that consultation has occurred with the appropriate personnel (eg. Building/Planning) throughout the development prior to the purchase order being placed.

2.5 The Authorising Officer will ensure that all plant, equipment and substances are purchased from Manufacturers, Suppliers and Distributors who comply with Section 24 of the Work Heath and Safety Act 2012 - “Duties of Designer etc,” ensuring that all plant and substances are safe, have been tested or examined, are supplied with relevant documentation, (eg. Safety Data Sheets) comply with prescribed standards and codes and that adequate information is available to ensure safe use, handling, processing, storage, transportation or disposal.

2.6 The Authorising Officer will ensure that all plant and equipment will be inspected, prior to commissioning, by relevant representatives from the Health & Safety Committee so as to ensure all relevant requirements have been met.

3 Authority To Issue

3.1 Subject to any restrictions or special arrangements in these procedures, orders and contracts for supplies and services may be issued by Authorised Officers of Council within the limits of Authority to issue expenditure as set down in section 4.2.

3.2 Orders or contracts for amounts exceeding the limits of Authority outlined in the current “Budget” document to incur expenditure held by Council may be issued only after Council approval.
3.3 It is a breach of authorisation to separate a single supply or service into parts with the objective being the issuing of two or more purchase orders or contracts which individually do not exceed a limitation to incur expenditure whereas the total cost would do so. Where orders are placed for services for an indeterminate period e.g.; the hire or servicing of equipment, the operative amount for the purpose of the limitation is the cost per annum.

3.4 A “Standing Order” will only be issued by the Manager Finance & Administration upon request from an authorised officer (refer Section 4.2.) and will not exceed a period greater that twelve (12) months.

3.5 A Standing Order will only be issued to a supplier for the individual purchase of goods and/or services to a value that does not exceed a limit of two hundred and fifty dollars ($250.00).

3.6 The Manager Finance and Administration upon the issuing of a Standing Order will provide the supplier with a formal letter detailing the terms and conditions of operations.

4. Authority to Sign

4.1 Orders and contracts must be signed only by an officer appointed for that purpose by Council pursuant to Section 44 of the Local Government Act, 1999.

4.2 The following officers are authorised to sign orders on behalf of Council:

<table>
<thead>
<tr>
<th>Position Held</th>
<th>$Limit Expenditure set within Council’s budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Limit to Budget</td>
</tr>
<tr>
<td>Manager Works &amp; Infrastructure</td>
<td>200,000</td>
</tr>
<tr>
<td>Manager Governance &amp; Community</td>
<td>50,000</td>
</tr>
<tr>
<td>Manager Finance &amp; Administration</td>
<td>50,000</td>
</tr>
<tr>
<td>Manager Development &amp; Environment</td>
<td>50,000</td>
</tr>
<tr>
<td>Manager Recreation &amp; Lifestyle</td>
<td>20,000</td>
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<tr>
<td>Manager Library</td>
<td>20,000</td>
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<tr>
<td>Maintenance Officer</td>
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<tr>
<td>Head Mechanic</td>
<td>20,000</td>
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<tr>
<td>Operations Coordinator</td>
<td>20,000</td>
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<tr>
<td>Riverton &amp; Auburn Caravan Park Managers</td>
<td>2,000</td>
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5. Purchase Orders

5.1 Where a purchase or works order is issued, there shall be indicated on the approved order:

i) particulars of the goods, services or works, including quantity and, price or estimated price thereof;

ii) the account number and/or account description to which the relevant expenditure is to be charged;

iii) name of person ordering goods;

iv) the authorisation of the competent authority or particulars of such authorisation including the minuted authority of Council.

v) supplier details;

vi) time and date goods, services or works, are required by (if applicable).

5.2 Every order shall have attached a copy of any quotations or tenders received or details of any verbal quotations that may have been obtained as required.

5.3 Only in the following circumstances will the requirement for the price of goods, services or works to be indicated on an order be waived:

i) where the Chief Executive Officer or an approved Officer or Employee is satisfied and certifies to that effect on the order that it is impracticable to do so by reason of emergency or other extraordinary cause;

ii) these procedures may be deviated from only in urgent and exceptional circumstances at the authority of the Chief Executive Officer or Departmental Manager.

5.4 A purchase order will not be required for minor purchases from local suppliers where it is considered that it is not practical to issue an order. Amounts under $100 will be considered to be of minor purchases if they are of a usual nature. Any “out of the ordinary” expenditure regardless of the amount must have an official order issued.
6. Authorisation and Distribution
   6.1 The ordering officer shall:
   
i) sign the purchase order if within his/her authority or forward the order for signing by an officer with the appropriate authority.
ii) produce a photocopy of the order for the Manager Finance & Administration when Capital equipment is to be purchased.
iii) distribute copies of the order as follows:
   - Original - White - to supplier
   - Duplicate - Yellow - to the Finance Officer, for attachment to appropriate tax invoices during the payment process for audit verification purposes
   - Triplicate - Pink - to remain in the purchase order book as an historical record of purchase order.

7. Receipt/Return of Goods
   7.1 The officer receiving the goods must record the receipt of goods, endorsing either the packing slip or invoice and forward to the Manager Finance & Administration for processing.

8. Receipt of Part Order
   8.1 Upon receipt of part orders, the ordering officer will clearly mark the invoice or packing slip “Part Order” and will forward the appropriate documentation to the Finance Officer for processing.

9. Return of Goods
   9.1 An officer requested to return goods to a supplier as a result of them being unsatisfactory, faulty or incorrect shall ensure that the goods are appropriately packaged and labelled to direct the goods to the supplier. Further, the officer shall ensure that the goods are accompanied by sufficient documentation to allow for the easy identification of the goods and the reason for their return. A copy of this documentation shall be made and forwarded to the Finance Officer. The officer shall obtain the signature of the carrier accepting the goods for return. The Finance Officer shall attach the documentation to any credit advices or amended invoices received from the supplier.

10. Recurrent Services
    10.1 The term “Recurrent Services” means services of a repetitive, recurrent or standard nature tendered to Council under any Act or Law, contract or arrangement, for which it is neither the accepted practice or necessary to issue an official order for the rendering of such service.
    10.2 The term “Recurrent Services” means expenditure incurred with respect to recurrent services and includes:
(i) audit fees;
(ii) computer service charges;
(iii) insurance renewal premiums;
(iv) workers’ compensation payments;
(v) telephone, facsimile or bulk postage charges;
(vi) subscriptions and contributions for magazines and journals;
(vii) electricity and gas charges;
(viii) water and cleansing charges;
(ix) rates and Council charges;
(x) rent of properties;
(xi) travelling or transfer allowances or expenses of officers or employees;
(xii) car mileage allowance;
(xiii) expenditure ancillary to salaries and wages including Group Tax and employer’s superannuation contribution;
(xiv) accountable advances, loan advances and investments;
(xv) other like expenditure to that indicated above as may be determined by the Manager Finance & Administration
(xvi) Books purchased by the PLAIN system

10.3 A claim on Council with respect to recurrent expenditure shall not be paid without the approval of an Authorised Officer (Refer Section 4.2)