
Procurement Policy

POL-018

Version:
2

Effective from:
November 2023

Reviewable by:
October 2024

LEGISLATION AND COMPLIANCE

Local Government Act 2009 (Qld) ss 104 & 106

Local Government Regulation 2012 (Qld) s 198

Queensland Procurement Policy 2023

Rio Tinto Business Integrity Standard

Rio Tinto General Conditions for Services (& Associated Goods) (AU)

Rio Tinto Group Delegation of Authorities

Rio Tinto Group Procurement Standard

Rio Tinto Pacific Operations Financial Delegation of Authority

Rio Tinto The Way We Work

RELATED DOCUMENTS

Management Protocol

POL-020 Financial Delegation Policy

FURTHER INFORMATION

Supervisor Corporate Services

Rio Tinto Procurement (Weipa Operations)

DOCUMENT HISTORY

Version	Endorsed by	Effective date	Description of Amendment
1	WTA Members	June 2018	Creation of the Procurement Policy
2	WTA Members	November 2023	Update of the Procurement Policy

Procurement Policy

INTENT

This policy describes the requirements for procurement activities undertaken by WTA. Procurement activities relating to WTA will be undertaken in partnership with Rio Tinto Procurement and in accordance with Rio Tinto Group Procurement Standards.

SCOPE

This policy applies to the Members and Staff (including contractors and volunteers) of WTA and relevant Rio Tinto Aluminium (RTA) staff. The policy relates to the procurement activities undertaken by or involving WTA.

DEFINITIONS

Procurement – The process of locating, agreeing to terms and purchasing goods, services, or other works from an external source

RTA – Rio Tinto Aluminium

RTP – Rio Tinto Procurement

POLICY

1. Principles

WTA adopts the Rio Tinto Group Procurement Standards and Requirements. The following principles apply to WTA procurement activities:

- Procurement is an important part of WTA business as it provides a mechanism to compare price and quality and achieve value for money.
- Procurement guidelines promote fair and open competition for suppliers and help WTA and Rio Tinto minimise the risk of conflict of interest and/or fraud.
- Preference should be given to local suppliers.
- Relevant orders or contracts will be in place before the commencement of works or service.
- All financial commitments (and variations) will be approved by the appropriate delegated financial authority.
- Purchase orders will be sufficient for the completion of works and authorised for the full amount of the commitment.

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2. Process

The table below summarises the procurement process required based on a dollar value and risk.

Value	Procurement	Action
<\$70,000	<p>Contract exists:</p> <ul style="list-style-type: none"> - No quote is required. <p>No contract exists:</p> <ul style="list-style-type: none"> - At least 1 written quote is required. - Preference should be given to local suppliers. 	<p>Contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include the contract number. <p>No Contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include the quotes.
\$70,000 – \$125,000	<p>Contract exists:</p> <ul style="list-style-type: none"> - No quote is required. <p>No contract exists:</p> <ul style="list-style-type: none"> - At least 2 written quotes are required. - Preference to at least one being from a local supplier. - RTP is responsible for competitive testing, but the Superintendent WTA retain the ability to test if they elect to do so. 	<p>Contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include the contract number. <p>No contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include quotes.
\$125,000 - \$2,750,000	<p>Contract exists:</p> <ul style="list-style-type: none"> - No quotes are required. <p>No contract exists:</p> <ul style="list-style-type: none"> - Procurement must be consulted and must preapprove strategy prior to market engagement. - The strategy will determine the market engagement process, including competitive testing if required. Only RTP can undertake full competitive testing, - At least 2 written quotes are required. - Preferences for at least one being from a local supplier. 	<p>RTP assessment to determine whether a purchase order (with quotes) or a contract is required.</p> <p>Contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include the contract number. <p>No contract exists:</p> <ul style="list-style-type: none"> - Raise a purchase order and include quotes.
>\$2,750,000	<p>Contract exists:</p> <ul style="list-style-type: none"> - No quotes are required. <p>No contract exists:</p> <ul style="list-style-type: none"> - Full competitive testing via RTP. 	<p>A contract is required, refer RTP.</p>

Reference - Rio Tinto Group Delegation of Authority 2023)

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3. Formal Testing

Where the cost is likely to be near \$125,000, WTA will obtain 2 written quotes. The quotes and details of the works will then be forwarded to RTP to competitively test the quotes and assist in the evaluation process to select the preferred supplier.

Where the cost is likely to be over \$125,000, advice should be sought from RTP as to whether a tender process is required. RTP would conduct the tender process. WTA will provide the technical specifications and a scope of works to RTP. Recommendations arising from the tender process will be presented to the Superintendent and WTA Members for approval (as per the Financial Delegation of Authority Policy).

4. Contracts

Once a supplier has been selected (through the correct procurement process) RTP will recommend the use of either a purchase order alone or with a contract to finalise the commitment. A contract will ordinarily only be required if the works or service are considered high in complexity or risk.

5. Pre-qualification of Vendors

There is a requirement for vendors to be pre-qualified for engagement with Rio Tinto. RTP will assist in this process of pre-qualifying vendors.

6. Purchase Orders

Purchase orders are to be raised after the correct procurement process and before any commitments are made. Orders are to be signed by the appropriate financial delegate.

A purchase order variation is required if the cost of work exceeds the value of the initial order. A variation to a purchase order must be approved prior to committing to continuing works. The appropriate financial delegate will sign a variation to the purchase order for the full value of the varied purchase order (original value plus variation value).

Purchase orders must **not** be separated into smaller orders to bypass delegation limits.

Purchase orders must be sufficient for the full completion of works or services; i.e. not split into separate orders, or entered when the order is knowingly insufficient.

7. Discrete Packages

A purchase order is raised for a defined scope of work. When the work has been completed and the purchase order has not been expended fully, no additional work is to be undertaken; the purchase order is to be closed. If warranted works were identified during the completion of a purchase order, a requisition would be raised for a different purchase order with the warranted scope of works.