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	Purchasing Policy			

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Revision Record

Revision	Date issued	Description of Changes
3		Minor word changes
4	30/05/2018	Changes to Line Manager responsibilities and minor format changes

Purchasing Policy

POL-009

General

When requesting supplies of equipment or consumables or the services of contractors or technicians, the following purchasing policy shall apply:

1. Due consideration must be given to safeguarding OTHR's limited funds as it is a not-for-profit volunteer organisation.
2. Check with several sources of supply and with other OTHR management to obtain the most favourable pricing, consistent with good quality. Other Heritage Rail groups may be able to assist with advice.
3. Advise your line manager, or member of the committee of the reasons for selecting the item(s) before raising an order using the Order Book.
4. OTHR must purchase services and products that conform to safety requirements. Such products or services will be assessed to ensure safety requirements are met before being accepted or used or before the contractor or technician is allowed to commence work on site.
5. Where appropriate, traceability of supplies will be maintained through batch or other identification.
6. If the member who is arranging the purchase of goods or services, becomes aware that there may be variation of 10% or greater from the original approval. Then further approval must be sought from the original approver, prior to the purchase being made.

Delegation

Up to \$200 Team Leader / Committee member / Officer Bearer
Between \$200 and \$1,000 President
Over \$1,000 Committee

Non Order Invoices (NOI)

Are not required to be purchased via the Order Book.

E.g. Food for working bees from Mawhood IGA, stationery, rates, power bill, insurance, PO Box / postage, etc and reimbursement of members who have purchased items on behalf of OTHR providing it is less than \$200.

Order Book

The use of the order book has three examples of purchases.

1: Adhoc purchasing of goods or services. e.g.: part for the ride on mower, nuts & bolts, paint, fix a light. These items would fit it the less than \$200 category.

2: Committee approved project e.g.: Sleeper Inserter: Approval from the committee to put new axles on the sleeper inserter. A quote from Moorhead Engineering to machining axles was \$260 and some bolts and bearings \$90 bringing the total spend of \$350 of approved spending. An order would have been place on Moorhead for \$350 for this work.

3: Blank order spent against an approved grant project. e.g.: there was an order raised against Mitre10 for the paint for the station, as the paint was purchased on the day a line item in the order book would equal the invoice value paint purchased. So, there would multiple lines equally multiple invoices until the job and or expenditure was completed.

Goods Procurement

OTHR members who wish to make a purchase needs to check the delegation required before any purchases can be made. ALL goods ordered must be accompanied by a Purchase Order (*from the Order Book*) bearing the signature and printed name of the Line Manager and a reference as to the purpose of the goods purchased (i.e. what they are going to be used for).

Copies of purchase orders and subsequent delivery dockets, invoices, and receipts are forwarded to and held by the Treasurer.

For more specific products the specifications are provided to the supplier, and the suitable products acquired and then checked for applicability and safety before acceptance.

Services Procurement

All purchases of services must have the same approvals as for goods. All purchase orders for services MUST have a "Not to Exceed" value if a total definitive price is not available.

All contractors or service technicians working on OTHR equipment or infrastructure, premises, leases or licensed areas must present proof of third party and workers compensation insurance and relevant competencies or Licence before commencing work.

Specially Manufactured Items

All items such as wheels, axles, etc., shall be obtained from a reputable industry supplier. All such items will only be ordered under the authority of the OTHR Committee of Management.

For rail safety purposes all such items are to be individually marked by the appropriate Line Manager or delegated person to enable traceability. If such a major component then fails, a trace may be made to establish purchase, supply and manufacture date and if applicable batch number for subsequent inquiry.

Should there be any doubt concerning a relevant supplier for any component destined for railway use, other heritage or commercial railway operators shall be contacted for a reference.

Should the item or supplier be one that has not been used in the rail industry previously, testing, checking, and verification shall be carried out as part of the change management process.

Second Hand Items

Many items purchased or collected for the restoration and operation of rollingstock operated by OTHR, and for the maintenance of its infrastructure are second-hand items. These do not have the usual quality guarantees that come with the purchase of new materials and equipment. Purchasing or collecting of such materials requires special care in terms of judging quality, serviceability and safety. All second-hand items must be checked by the appropriate Line Manager for suitability, condition and tolerances/wear and safety prior to purchase.