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1 Purpose

Surf Coast Shire Council's procurement framework, which covers contracting, purchasing and contract management activities, is designed to support the achievement of Council's strategic aims and objectives.

This policy establishes the procurement framework by providing guidance, governance and clarity on the principles, practices and processes to be applied to all of Council's procurement activities.

2 Scope

This Procurement Policy is made under Section 186A of the Local Government Act 1989. Section 186A of the Act requires the Council to prepare, approve and comply with a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council.

The scope of this Policy commences from when Council has identified a need for procurement and it continues through to the delivery / completion of that procurement.

3 Application

This Policy will apply to Council, Council staff and all persons undertaking procurement on behalf of Council

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4 Definitions

Act	<i>Local Government Act 1989</i> (as amended).
Category Management	The strategic, proactive and organisational approach to the end of end procurement of specific categories of organisational spend
Commercial in Confidence	Information that, if released, would be reasonably likely to prejudice the business dealings of the party (e.g. prices, discounts, rebates, profits, methodologies and process information). It is information provided for a specific purpose that is not to be used for any other purpose than set out in the initial document.
Contract Management	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.
Council Staff	Includes full time and part time council officers, and temporary employees, contractors and consultants while engaged by the Council.
Conflict of Interest	Refer to section 77A to 79B of the Act.
Corporate Social Responsibility (CSR) Practices	Corporate Social Responsibility (CSR) is about taking positive action to demonstrate Council's commitment to the local community and environment on which it impacts.
Delegation	A power handed down by the Council or Chief Executive Officer (CEO) in an instrument to enable a delegate to act on Council's behalf.
Ethics	The moral principles or values that guide practitioners in aspects of procurement.
Expression of Interest	An invitation for persons to submit an EOI for the provision of the goods, services and works which generally set out in the overview of requirements contained in the document. This invitation is not an offer or a contract.
Late Tender	A late tender is one not received in the electronic Tender Box prior to the closing date/time. If an electronic tender submission has commenced (e.g. via Tenderlink) prior to the closing date/time, and the transmission is interrupted due to tender closing time, the submission will be deemed to be received.
Panel Contract Arrangements	A contract that sets out rates for goods and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.
Probity	Probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within Government, the word "probity" is often used in a general sense to mean "good process." A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Probity Advisor	Commonly an observer in dealings with tenderers and the evaluation panel at presentations and interviews. The probity advisor would be available to answer questions and provide advice to the evaluation team and/or steering committee.
Probity Auditor	Primarily reviews all processes and documentation throughout the procurement process and provides a report on their findings at the conclusion of the process.
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
Request for Information	Formal request for information to gain a more detailed understanding of the supplier market and the range of solutions and technologies that may be available. It may be used to develop documentation for a future tender.
Request for Quotation	The process of inviting parties to submit a quotation followed by evaluation of submissions and selection of a successful bidder.

Specification	The statement which clearly and accurately describes the essential requirements for goods, services or works. It may also include the procedures by which it will be determined that the requirements have been met and performance required in a contract.
Social Enterprise	A social enterprise is a revenue generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners
Social Procurement	Social Procurement uses procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works.
Supplier	The organisation named in the contract as the party responsible for the performance of the contractual obligations.
Sustainability	Activities that meet the needs for goods, works and services in a way that achieves value for money on a whole of life basis in terms of generating benefits not only to Council, but also to society and the economy, while minimising damage to the environment.
Tender Process	The process from the planning stages to the awarding of a contract. This includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s.
Thresholds	The value above which a procurement, unless exempt, is subject to the mandatory procurement processes.
Value for Money	Value for money in procurement relates to selecting the supply of goods, services and works taking into account both cost and non-cost related factors including: <ul style="list-style-type: none"> • contribution to the advancement of the Council's priorities; • non-cost factors such as fitness for purpose, quality, service and support; and • cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

5 Policy

5.1 Background

Surf Coast Shire Council

- 5.1.1 Recognises that developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by Council, will enhance achievement of council objectives.

The elements of best practice applicable to local government procurement incorporate:

- 5.1.1.1 broad principles covering ethics, value for money, responsibilities and accountabilities;
- 5.1.1.2 guidelines giving effect to those principles;
- 5.1.1.3 system of delegations (i.e. the authorisation of officers to approve a range of functions in the procurement process)
- 5.1.1.4 procurement processes, with appropriate procedures covering minor simple procurement to high value complex procurement; and
- 5.1.1.5 a professional approach to all procurement activities.

5.1.2 Requires that Council's contracting and purchasing activities:

- 5.1.2.1 support the Council's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment, and corporate social responsibility;
- 5.1.2.2 take a long term strategic view of procurement needs while continually assessing, reviewing and auditing procedures, strategy and objectives;
- 5.1.2.3 span the whole life cycle of an acquisition from initial concept to the end of the useful life of an asset, including its disposal, or the end of a service contract;
- 5.1.2.4 achieve value for money and quality in the acquisition of goods, services and works by the Council;
- 5.1.2.5 can demonstrate that public money has been well spent;
- 5.1.2.6 are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- 5.1.2.7 seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost ; a
- 5.1.2.8 ensure that risk is identified, assessed and managed at all stages of the procurement process;
- 5.1.2.9 comply with legislation, Council policies and other best practice requirements;
- 5.1.2.10 use strategic procurement practices and innovative procurement solutions, in particular making use of collaboration and partnership opportunities; and
- 5.1.2.11 generate and support business in the local community.

5.2 Treatment of GST

All monetary values stated in this policy exclude GST (Goods and Services Tax), except where specifically stated otherwise. Effective Legislative and Policy Compliance and Control

5.3 Effective Legislative and Policy Compliance and Control

5.3.1 Ethics and Probity

Council acknowledges the importance of ethics and probity in procurement and is committed to ensuring ethical practices are promoted and maintained across all Council procurement activities.

5.3.2 Conduct of Councillors and Council Staff

5.3.2.1 General

Councillors and Council staff shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and will:

- 5.3.2.1.1 treat potential and existing suppliers with equality and fairness;
- 5.3.2.1.2 not seek or receive personal gain and always declare conflicts of interest;
- 5.3.2.1.3 maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- 5.3.2.1.4 present the highest standards of professionalism and probity;
- 5.3.2.1.5 deal with suppliers in an honest and impartial manner that does not allow conflicts of interest
- 5.3.2.1.6 provide all suppliers and tenderers with the same information and equal opportunity; and
- 5.3.2.1.7 be able to account for all decisions and provide feedback on them;
- 5.3.2.1.8 Councillors must not improperly direct or improperly influence a member of Council staff in the exercise of any power or in the performance of any duty or function, and
- 5.3.2.1.9 maintain fair, equitable and non-discriminatory procedures for addressing complaints and concerns raised by suppliers or members of the community regarding Council's procurement activities.

Council staff work in accordance with their employment conditions and the Staff Code of Conduct. Councillors are elected by the community to work in the best interests of the municipality and are required to follow the Councillor Code of Conduct.

5.3.2.2 Members of Professional Bodies

Councillors and Council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

5.4 Tender and Quotation Processes

All Council staff undertaking tender and quotation processes, are to act in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act.

5.5 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties. Council staff involved in the procurement process, in particular preparing invitation documentation, including writing tender / quotation specifications, setting of evaluation criteria, opening of submissions, and evaluation panels, must:

- **Avoid** conflicts, whether actual, potential or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of Councillors and Council staff, plus their relatives and close associates;
- **Declare** that there are no conflicts of interest. Where future conflicts, or relevant private interests arise Council Staff must make their manager, or the chairperson of the relevant tender evaluation panel aware and allow them to decide whether the officer should continue to be involved in the specific Procurement exercise; and
- **Observe** prevailing Council, and governmental, guidelines on how to prevent or deal with conflict of interest situations and not take advantage of any tender related information whether or not for personal gain.

The onus is on the Councillor and the member of Council staff involved being alert to and promptly declaring an actual or potential conflict of interest to the Council.

5.6 Fair and Honest Dealing

Council acknowledges the importance of ensuring its procurement processes and practices promote positive supplier engagement.

Council Staff shall ensure that all prospective suppliers are treated fairly in an open and transparent manner and have access to the same information.

5.7 Accountability and Transparency

Accountability in procurement means being able to explain and evidence what has happened. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore the processes by which all procurement activities are conducted will be in accordance with the Council's policies and procedures as set out in this policy and related Council policies and procedures.

Additionally:

- all Council staff must be able to account for procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and provide feedback on them and to leave an audit trail of procurement activities for monitoring purposes.

5.8 Gifts and Hospitality

All Councillors and Council staff are to adhere to Council's Gifts, Benefits and Hospitality Policy.

5.9 Confidentiality and Disclosure of Information

Commercial in Confidence information received by the Council must not be disclosed and is to be stored in a secure location.

Councillors and Council staff are to protect the following, by refusing to release or discuss:

- 5.9.1 information disclosed by organisations in tenders, quotation or during tender negotiations;
- 5.9.2 all information that is deemed to be Commercial in Confidence; and
- 5.9.3 pre-contract information including, but not limited to, information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Tenderers are advised that the awarded tender price (fixed lump sum price only) and the name of the successful tenderer may also become publicly available.

5.10 Governance

5.10.1 Structure

Council shall:

- 5.10.1.1 establish a procurement management responsibility structure and delegations ensuring accountability, traceability and auditability of all Procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- 5.10.1.2 ensure that the Council's Procurement structure:
 - is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council;
 - ensures that prospective suppliers are afforded an equal opportunity to tender/quote;
 - encourages competition; and
 - ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

5.10.2 Standards

Council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with:

- 5.10.2.1 The Act,
- 5.10.2.2 The Council's policies and procedures,
- 5.10.2.3 The Council's Codes of Conduct,
- 5.10.2.4 Victorian Local Government Best Practice Procurement Guideline 2013 and
- 5.10.2.5 Other relevant legislative requirements such as but not limited to the Trade Practices Act, Human Rights Charter, Goods Act, Occupational Health and Safety Act, Child Wellbeing and Safety Act and the Environmental Protection Act.

5.10.3 Methods of Purchasing

Unless other arrangements are authorised by the Council or the CEO on a needs basis, as required by abnormal circumstances such as emergencies, Council's standard methods for purchasing goods, services and works shall be by:

- 5.10.3.1 purchase order following a quotation process,
- 5.10.3.2 under contract following a tender process, quotation or expression of interest process, or
- 5.10.3.3 using purchasing arrangements with other Councils, MAV Procurement, Victorian Government, or other bodies;

Purchasing (or credit) cards are available for use, in accordance with Council's Management Policy and Procedure.

The Council may, at its discretion, conduct one-stage or multi-stage tenders or run sequential tenders.

Typically a multi-stage tender process may commence with a Request for Information or Expression of Interest stage followed by a tender process.

Expression of Interest may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear,
- the requirement is capable of several technical solutions,
- the Council wishes to consider ahead of formal tender processes such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project,
- tendering costs are likely to be high and Council seeks to ensure that companies incapable of supplying the requirement don't incur unnecessary expense,
- it is necessary to pre-qualify suppliers and goods to meet defined standards, and
- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

Additionally, for highly complex projects the Council may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by Council. Such sequential tenders may or may not be preceded by the registration of interest phase as required by the Council based on the actual needs of the project.

5.10.4 Responsible Financial Management

The principles of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

5.11 Probity Advisor/Auditor

Council may consider the appointment of a Probity Advisor or Probity Auditor, based on the nature and complexity of the proposed procurement.

5.11.1 Probity Plans/Audits

A probity Plan sets out the steps to be taken and the processes to be implemented to ensure a tender is conducted fairly and ethically. Formal probity plans should be developed and implemented in the following circumstances:

- Where the value of a proposed contract exceeds a specific value over its life determined by Council. The benchmark value at which a proposed contract should be subject to a probity plan is \$5 million and the appointment of a probity auditor should take place for anything over \$10 million; or
- Where a proposed contract is particularly complex, of a high risk or controversial nature, and requiring a high level of public confidence.

Although it is at the discretion of the General Manager when to adopt a probity plan approach, a probity plan should cover the following matters:

- identification of the contract
- objectives of the probity processes
- statement on the proposed application of probity principles
- roles and responsibilities of each participant in the evaluation process and probity auditing
- specification of when probity auditing will occur

- probity tasks, documents and time lines
- measures for ensuring confidentiality and security
- communication protocol with bidders (to ensure that no one bid obtains an unfair advantage over others)
- record keeping requirements.

5.12 Procurement Thresholds and Competition

Council's procurement processes have been designed to ensure the principle of competition is adequately addressed.

Council staff shall ensure that a competitive marketplace is promoted by using the correct process for the particular procurement activity and ensuring that prospective suppliers are given an equal opportunity to participate in the process.

5.13 Minimum Spend Competition Thresholds

5.13.1 Tenders

Purchase of all goods and services for which the estimated expenditure exceeds \$135,000, and building and construction works for which the estimated expenditure exceeds \$180,000, must be undertaken by public tender, as per the thresholds contained in The Act, and in accordance with Council's Management Policy and Procedure.

Council may undertake a public tender where the value of goods, works and services does not reach the threshold sums. These may be situations where a public tender is preferred or prudent, managing risk considerations are paramount or there is a desire for greater transparency of the procurement

In accordance with the Public Notice requirements of S.186 of the Local Government Act, a tender advertisement must be published in a public newspaper generally circulating in the Municipal district.

5.13.2 Quotations

Purchase of goods and services having a total \$135,000 and works having a total valuation of \$180,000 or less may be undertaken using the a request for quotation process, in accordance with Council's Management Policy and Procedure, as described below:

THRESHOLDS FOR QUOTATIONS AND PUBLIC TENDER		
Expenditure (GST Exclusive)	Procurement Method	Comment
< \$1,000	Verbal quote	
\$1,001 - \$10,000	Obtain one written quote	(verbal quote permitted if evidenced by email confirmation to supplier)
\$10,001 - \$135,000 (goods and services)	Seek three written quotes *	Quotes must be sought via issue of a written request for quotation. A record of the process undertaken, must be maintained in Council's Records Management System
\$10,001 - \$180,000 (building and construction works)		
\$135,001 +(goods and services) \$180,001+ (building and construction works)	Public tender process to be undertaken	Detailed records of the tender process undertaken must be maintained in Council's Records Management System

- All quotations must be recorded
- Financial values are for the total estimated cost of the procurement, including any potential extension periods

- Requirements cannot be split to circumvent the above thresholds
- Cumulative purchases contribute to the spend thresholds
- Council Officers are recommended to seek further quotations in excess of the above minimum requirements, if a better value for money outcome may be achieved as a result

Where significant amounts are spent in aggregate on one supplier, or for one service, over time, Council will assess whether greater savings can be achieved by tendering and using schedule of rates and panel contract arrangements where appropriate.

5.14 Insufficient Quotations

The situation may arise where insufficient quotations are received to satisfy the above requirements. This may occasionally occur where there are few suppliers for the goods, services or works being sought or the work is highly specialised. In this case, there must have been a genuine attempt to seek three quotations, the details of the contacted suppliers recorded and an appropriate comment recorded.

5.15 Sole Source Justification

A Sole Source Justification application form is to be completed in situations where three quotes cannot be obtained. The following are examples of situations for consideration of sole source acquisitions:

- 5.15.1 The products or services to be acquired are unique to the supplier.
- 5.15.2 Unique prior experience, expertise, capabilities, professional stature or key personnel.
- 5.15.3 Time is of the essence and only one known source can meet the end customer's needs within the required timeframe.
- 5.15.4 Data is unavailable for competitive procurement.
- 5.15.5 It is necessary that the item being acquired from one source be compatible and interchangeable with existing equipment.

Approval to use a sole supplier can only be given at the General Manager or CEO level and cannot be used for works above \$180,000 and goods or services above \$135,000. A Sole Source Justification application is to be signed and approved prior to requesting a quote from a supplier. Should a General Manager or the CEO refuse a sole source application, a competitive request for quotation process must be conducted.

5.16 Delegation of Authority

Delegations define the limitations within which Council staff are permitted to work. Delegation of procurement authority allows specified Council staff to approve certain purchases, quotation, tender and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level.

As such Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for contract management activities.

5.17 Delegations

5.17.1 Council Staff

Council shall maintain a documented scheme of procurement delegations, identifying the Council staff authorised to make procurement commitments in respect of goods, services and works on behalf of the Council and their respective delegations contained in Financial Chart of Authorities and policies. This shall include:

- Powers to authorise and issue order forms for goods and services;

- Powers to enter into contracts within approved budget;
- Powers to approve contract variations.

5.17.2 Delegations Reserved for the Council

The processes and commitments must be approved by Council where tender recommendations and contract approval for expenditure exceed the Chief Executive Officer's delegation.

5.18 Internal Controls

The Council will install and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end to end
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems in place for appropriate monitoring and performance measurement.

5.19 Risk Management

Risk management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the Council's ability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Risk management practices will be carried out in accordance with the Risk Management Policy and the Guidelines for OH&S Management of Contractors and any Federal or State regulatory requirements.

5.19.1 Supply by Contract

The provision of goods, services and works by contract potentially exposes the Council to risk.

The Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement;
- use of or reference to relevant Australian Standards (or equivalent);
- effectively managing the contract including monitoring and enforcing performance; and
- by the appointment of a Probity Advisor or Probity Auditor, based on the nature and complexity of the proposed procurement and in accordance with clause 5.11 of this Policy .

5.20 Contract Terms

All contractual relationships must be documented in writing based on standard terms and conditions. To protect the best interests of the Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to this expose Council to risk and must be authorised by the appropriate member of Council staff listed in the Delegations section above.

5.21 Endorsement

Council Staff must not endorse any products or services. Individual requests received for endorsement must be referred to the General Manager or CEO.

5.22 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions

5.23 Contract Management

The purpose of contract management is to ensure that Council, and where applicable its clients, receive the goods and services provided to the required standards of quality and quantity as intended by the contract by:

- 5.23.1 establishing a system reinforcing the performance of both parties' responsibilities and obligations under the contract;
- 5.23.2 providing a means for the early recognition of issues and performance problems and the identification of solutions; and
- 5.23.3 adhering to Council's Risk Management framework and Workplace Health and Safety Contractor Compliance procedures.

All Council's contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed by the member of Council staff responsible for the delivery of the contracted goods, services or works to ensure Council receives Value for Money.

5.24 Demonstrate Sustained Value

5.24.1 Integration with Council Strategy and achieving Value for Money

Council's procurement strategy shall support the aims and objectives of the Council Plan. Council will undertake efficient and effective procurement activities to ensure that value for money is obtained. All persons engaged in purchasing decisions must aim to obtain best value for money. Value for Money will take account of all relevant costs and benefits of each proposal throughout the procurement cycle.

Value for Money purchasing decisions made by Council are to be made on whole-of-life cost and non-price factors, including where applicable, those factors that promote social, environmental and economic benefits.

This will be facilitated by:

- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout;
- using aggregated contracts and Panel Contract arrangements where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff responsible for providing procurement services or assistance within the Council providing competent advice in terms of available products and agreements;
- working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired; and
- the use of a Category Management approach to key categories of spend, bringing together expertise from across Council to identify and embed the most appropriate and effective category strategy in order to deliver on Council's objectives through contract arrangements.

5.25 Role of Specifications

Specifications used in quotations, tenders and contracts are to support and contribute to Council's Value for Money objectives through being written in a manner that:

- ensures impartiality and objectivity as reasonably practicable;
- encourages the use of standard products;
- encourages sustainability;
- eliminates unnecessarily stringent requirements; and
- wherever possible specifies technical standards and requirements that are within the capabilities of local suppliers.

5.26 Performance Measurement and Continuous Improvement

Council will establish and put in place appropriate management and reporting systems to monitor performance against targets and compliance with procurement policies, procedures and controls.

5.26.1 Council is committed to systematically monitoring cumulative payments to suppliers to identify ways to achieve better value through more strategic procurement.

An analysis of total payments per supplier will be completed annually based on expenditure incurred over the past two financial years. Explanations will be sought for potential breaches of the Act and reported to the Executive Management Team.

Procurement procedures, practices and costs will be benchmarked externally. Internal service standards will be agreed within the Council and performance against these targets will be measured and reviewed regularly to support continuous improvement.

Council is committed to utilising continuous improvement programs designed to:

- achieve and demonstrate sustainable savings and value for money;
- support local and regional economic development and other triple bottom line objectives;
- identify and pursue shared service opportunities;
- improve probity management and compliance; and
- improve organisational and sector capability.

Council is committed to providing Council officers with ongoing training opportunities with regard to best practice procurement.

5.27 Corporate Social Responsibility (CSR) Procurement

Council is committed to reducing its environmental impacts and operating in a socially, financially and environmentally responsible manner.

Council staff will be supported to use Council's procurement processes to deliver sustainable procurement outcomes where such purchases may be justified on Value for Money grounds.

A tender or quotation evaluation panel may allow a price preference of up to 10 per cent by way of weighted evaluation criteria that can be collectively applied to:

- • environmentally sustainable benefits,
- • social benefits, and/or
- • the support of local business including economic contribution to the local region.

5.28 Environmental Sustainability

5.28.1 Council is committed to achieving environmental sustainability and ensuring it monitors and reports on activities and programs that have an impact on or contribute to the environment including but not limited to:

- waste management,
- recycling,
- energy management,
- emission management,
- water conservation, and green building design

Council is committed to adopting a Green Procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a Value for Money basis.

Council prefers to purchase environmentally preferred products whenever they achieve the same function and value for money outcomes.

Council will therefore consider the following environmental sustainability criteria:

5.28.2 Reduce, Reuse, and Recycle

Council is committed to reduce resources, consumption and minimise waste during the procurement life cycle including:

- Council shall encourage and prefer Eco-friendly products which are more power efficient.
- Selecting energy, fuel and water efficient products (ideally Energy and Water Star Ratings of 4 Star and above, and the highest Green Vehicle Guide star rating)
- The Council shall prefer to purchase from a source which is less polluting or uses clean technology

- The Council's procurement projects should automatically consider the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.

5.28.3 Buy Recycled

Council is committed to buy recycled/part recycled products to optimise consumption and stimulate demand for recycled products, promoting the collection and reprocessing of waste and working towards zero discharge to landfill.

5.28.4 Green the Supply Chain

Council shall encourage Council suppliers to adopt good environmental practices.

Council will actively promote green procurement throughout its supply chain and ensure selection which has minimum environmental impact.

5.29 Social Sustainability

Social sustainability focuses on the social (or people) aspects of procurement and in particular social equity.

Social equity goals address disadvantage and are underpinned by principles of diversity, acceptance, fairness, compassion, inclusiveness and access for people of all abilities. A focus is placed on people who are underrepresented and people with less opportunity. Social Procurement generates positive outcomes for, and contributes to building stronger communities by elevating the inherent 'social value' of doing business.

Where applicable, Council staff will be supported to use Council's procurement processes and purchasing power to generate positive social and economic outcomes for our community through exploring opportunities to engage Social Enterprises for the procurement of goods or services and Council's commitment to actively participate in the G21 Regional Opportunities for Work (GROW) Program.

5.30 Support of Local Business

Council is committed to buying from local business where such purchases may be justified on Value for Money grounds.

Wherever practicable, Council will give effective and substantial preference to contracts for the purchase of goods, machinery or material manufactured or produced in Australia or New Zealand, and fully examine the benefits through purchasing goods, services or works from local suppliers.

Council will also seek from prospective suppliers/contractors, where applicable, details of the economic contribution they will make to the local Shire.

Such examples may include:

- Engaging and contracting with local suppliers
- Engaging local sub-contractors
- Suppliers/contractors participation in any apprenticeship schemes or employment of apprentices when tendering for projects and upon award.
- Contributing to the financial, social and environmental wellbeing of the Region.
- Enable the business expansion, growth and servicing of local business and contractors and
- Existing local businesses.

5.31 Applying a Consistent and Standard Approach

Council will provide effective and efficient commercial arrangements for the acquisition of goods and services.

5.31.1 Standard Processes

Council will provide effective commercial arrangements covering standard products and provision of standard services across the Council to enable employees to source requirements in an efficient manner.

This will be achieved via a combination of the following areas:

- Pricing where relevant
- Processes, procedures and techniques
- Tools and business systems eg e-tendering
- Reporting requirements
- Application of standard contract terms and conditions.

5.31.2 Performance Indicators and Management Information

A list of performance indicators will be developed to measure procurement performance. They will include criteria such as:

- The proportion of spend against corporate contracts
- User and supplier satisfaction levels measuring the success of procurement initiatives eg procurement cards

Council will also use external sources of management information to assist with the procurement decision making process.

5.32 Build and Maintain Supply Relationships

Council recognises that in order to achieve sustainable value, appropriate relationships must be developed and maintained with suppliers.

5.32.1 Developing and Managing Suppliers

Council recognises the importance of effective and open working relationships with its suppliers, and is committed to the following:

- Managing existing suppliers to ensure the benefits are delivered.
- Maintaining approved supplier lists and compliance with Council's requirements for insurances and OH&S.
- Developing new suppliers and improving the capability of existing suppliers where appropriate.

5.32.2 Supply Market Development

A wide range of suppliers will be encouraged to compete for Council work.

5.32.3 Relationship Management

Council is committed to developing constructive long-term relationships with suppliers. It is important that Council identifies its key suppliers so that its efforts are focused to best effect. Such areas may include:

- Size of spend across Council
- Criticality of goods / services, to the delivery of Council's services
- Availability of substitutes
- Market share and strategic share of suppliers.

5.32.4 Communication

External communication is very important in ensuring a healthy interest from potential suppliers and partners to Council. The external website will be updated and provide:

- Information about Council and how to become an approved supplier.
- Guidelines for doing business with Council.
- Standard documentation used in the procurement process.
- Links to other relevant sites.

5.33 Continuous Improvement

Council is committed to continuous improvement and will review the procurement policy on an annual basis to ensure that it continues to meet its wider strategic objectives.

5.34 Policy Owner and Contact Details

Council's General Manager Governance & Infrastructure is the designated owner of this policy.

Records

Records shall be retained for at least the period shown below.

Record	Retention/Disposal Responsibility	Retention Period	Location
Contract documentation	Governance and Risk	Ongoing	Trim Files

References

Councillor Code of Conduct
Staff Code of Conduct
Contract Management Procedures
Fraud Control Policy
Corporate Card Procedures
Gifts, Benefits & Hospitality Policy
OH&S Policy
Risk Management Policy
Chart of Authorities
Victorian Local Government Best Practice Procurement Guidelines 2013
Local Government Act 1989

Council acknowledges the MAV for the provision of the Model Procurement Policy and the Victorian Local Government Best Practice Procurement Guideline 2013 in the development of this policy.