

SCS-019 Procurement Policy

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Responsible Officer: Manager Governance and Risk

Purpose

Section 186 of the Local Government Act 1989 requires Council to prepare, approve and comply with a Procurement Policy. In accordance with the Act, the Procurement Policy sets out the key principles, processes and procedures to be applied to all purchases of goods, services and works on behalf of Council.

Policy Principles

This policy provides direction to the Surf Coast Shire Council, in conducting procurement functions in accordance with legislative requirements, and achieving the following key principles

- Ethical behaviour in public sector procurement;
- Consistency and control over procurement activities;
- Transparency and accountability to rate payers; and
- Risk minimisation.

Scope

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

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

Table of Contents

Purpose	1
Policy Principles.....	1
Scope.....	1
Policy	3
1. Background.....	3
2. Treatment of GST	3
3. Best Practice Principles and Framework	3
4. Procurement Methods and Competition	6
5. Tender and Quotation Processes	7
6. Internal Controls	9
7. Demonstrate Sustained Value	11
8. Corporate Social Responsibility (CSR) Procurement	11
9. Build and Maintain Supply Relationships.....	13
10. Applying a Consistent and Standard Approach	13
11. Emergency Provisions	14
12. Policy Owner and Contact Details	15
Definitions	15
Records	17
Related Procedure.....	17
References	17
Document History	17

Policy

1. Background

Surf Coast Shire Council

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:

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

1.2. Requires that Council's contracting and purchasing activities:

- 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;
- take a long term strategic view of procurement needs while continually assessing, reviewing and auditing procedures, strategy and objectives;
- 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;
- achieve value for money and quality in the acquisition of goods, services and works by the Council;
- can demonstrate that public money has been well spent;
- are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost; a
- ensure that risk is identified, assessed and managed at all stages of the procurement process;
- comply with legislation, Council policies and other best practice requirements;
- use strategic procurement practices and innovative procurement solutions, in particular making use of collaboration and partnership opportunities; and
- generate and support business in the local community.

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.

3. Best Practice Principles and Framework

3.1. Ethics and Probity - Conduct of Councillors and Council Staff

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.

3.1.1. General

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.

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:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain and always declare conflicts of interest;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them;
- 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
- 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.

3.1.2. 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.

3.1.3. Endorsement

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

3.2. 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.

3.3. 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.

3.4. 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:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is deemed to be Commercial in Confidence; and
- 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.

3.5. Governance

3.5.1. Structure

Council shall:

- 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;
- 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.

3.5.2. Standards

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

- The Act,
- The Council's policies and procedures,
- The Council's Codes of Conduct,
- Victorian Local Government Best Practice Procurement Guideline 2013 and
- 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.

3.5.3. 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.

3.6. Gifts and Hospitality

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

3.7. 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.

3.8. Probity Advisor/Auditor

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

3.8.1. 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.

The appointment of a Probity Advisor and/or Probity Auditor needs to be considered early on in the project life and well before the tendering phase. In addition to the points above a General Manager or the CEO may require the appointment of a Probity Advisor or Probity Auditor.

4. Procurement Methods and Competition

4.1. 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:

- purchasing (or credit) cards
- purchase order following a quotation process,
- under contract following a tender process, quotation or expression of interest process, or
- using purchasing arrangements with other Councils, MAV Procurement, Victorian Government, Procurement Australia or other bodies;

4.2. Competition – Minimum Spend Thresholds

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.

Total spend value (GST Exclusive)	Procurement Method (minimum requirement)	Management Requirement
< \$1,000	Obtain one verbal quote	A purchasing card* to be used or a purchase order to be raised at the time of ordering
\$1,001 - \$20,000	Obtain one written quote	A purchasing card* to be used or Purchase order to be raised at the time of ordering. Records of quotations must be stored in the financial system prior to the goods being received
\$20,001 - \$135,000 (Goods & Services) Or \$20,001 \$180,00 (Works)	Seek a minimum of three written quotations through a Request for Quotation (RFQ) process.	Quotes must be sought via issue of a written request for quotation in accordance with procurement management procedures. A report seeking approval must be made in line with the instrument of delegation. A record of the process undertaken, must be maintained in Council's Records Management System
\$135,001 + (Goods & Services) \$180,001+ (Works)	Public tender process	Tenders must be sought in accordance with procurement management procedures. A report seeking approval must be made in line with the instrument of delegation. Detailed records of the tender process undertaken must be maintained in Council's Records Management System

** Purchasing (or credit) cards may only be used, in accordance with Council's Management Policy and Procedure Corporate Credit Card Use.*

5. 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 Council's management procedures, relevant legislation, relevant Australian Standards and the Act.

Council staff must ensure;

- All quotations are recorded
- Financial values are assessed 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 with one supplier, Council will assess whether greater savings can be achieved through undertaking a tender process to establish a schedule of rates and panel contract arrangement.

5.1. 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.

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

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.

5.1.1. Exemptions to Public Tendering Requirements

The Act makes provision for specific circumstances where a Council may enter into a contract without first undertaking a public tender.

These circumstances are:

- where the Council has resolved that the contract must be entered into because of an emergency (refer clause 11.4)
- where the contract is entered into with a Council acting as the agent for a group of Councils and the Council has otherwise complied with the Act
- where the contract is entered into in accordance with arrangements approved by the Minister
- the contract is a type of contract that has been exempted from S.186 of the Act by regulation (e.g. legal services).

5.2. 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 Procedures

5.2.1. 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.

5.2.2. Sole Source Justification

A Sole Source application is to be completed in situations where three quotes cannot be obtained, however it cannot be used to procure works above \$180,000 and goods or services above \$135,000.

The following are examples of situations for consideration of sole source acquisitions:

- The products or services to be acquired are unique to the supplier.
- Unique prior experience, expertise, capabilities, professional stature or key personnel.
- Time is of the essence and only one known source can meet the end customer's needs within the required timeframe.
- Data is unavailable for competitive procurement.
- 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 level or above. Approval must be obtained and recorded prior to requesting a quote from a supplier.

Where a sole source application is not approved, a competitive request for quotation process must be conducted.

6. 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.

6.1. 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.

6.2. Delegation of Authority

Delegations define the limitations within which Council staff are permitted to work. Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works.

6.2.1. 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 which 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.

6.2.2. 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.

6.3. Late Tenders

A late tender is where a submission has not been received in the electronic Tender Box prior to the closing date/time.

Council staff will not accept a late tender.

6.4. 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
- ensuring the contract or purchase order reflects the tender pricing
- requiring security deposits where appropriate
- referring specifications to relevant experts
- requiring a correctly executed contractual agreement before commencement
- use of or reference to relevant Australian Standards (or equivalent) and
- effectively managing the contract including monitoring and enforcing performance.

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.

6.4.1. Role of Specifications

Specifications used in quotations, tenders and the final contracts are to support and contribute to Council's 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.

6.4.2. Dispute Resolution

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

6.4.3. 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:

- establishing a system reinforcing the performance of both parties' responsibilities and obligations under the contract;
- providing a means for the early recognition of issues and performance problems and the identification of solutions; and
- 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.

6.5. 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.

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.

7. Demonstrate Sustained Value

7.1. 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.

8. 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.

As part of a Tender or Request for Quotation process, an evaluation panel may assign a weighting of up to 10% to a single selection criteria for the purpose of recognising one of the following CSR procurement outcomes:

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

It is recognised that for some procurements, the above CSR factors may compete with each other in importance.

For the purpose of achieving more than one of the CSR outcomes listed above, an evaluation panel may assign a collective weighting for the relevant selection criteria that does not exceed 15% in total.

8.1. Environmental Sustainability

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:

8.1.1. Reduce, Reuse, and Recycle

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

8.1.2. 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.

8.1.3. 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.

8.2. 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 within the context of purchasing on a Value for Money basis, 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 including but not limited to:

- engaging Social Enterprises for the procurement of goods or services
- valuing suppliers that identify principles of inclusion, diversity and gender equity;
- engaging Aboriginal and Torres Strait Islander suppliers for procurement activities;
- and Council's commitment to actively participate in the G21 Regional Opportunities for Work (GROW) Program.

8.3. 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
- Supply chain engagement of local sub-contractors
- Suppliers participation in any local apprenticeship schemes
- Contributing to the financial, social and environmental wellbeing of the Region.
- Enable the business expansion, growth and servicing of local business

9. Build and Maintain Supply Relationships

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

9.1. 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.

9.2. Supply Market Development

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

9.3. 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.

9.4. 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.

10. Applying a Consistent and Standard Approach

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

10.1. 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.

10.2. 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

11. Emergency Provisions

Council recognises that in the event of an emergency situation, full compliance with Council's procurement policy, management procedures and processes, may not support our organisation or community's needs, in the most efficient or effective manner.

The objective of the following provision is to accommodate urgent community and Council operational needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Alternative procurement process may operate during an emergency situation, through the response and recovery stages of the incident.

An emergency incident affecting Council operations and the community is defined as an event that results in:

- A declaration of a State of Emergency, or State of Disaster by the Victorian Premier, (e.g. a medical pandemic); or
- Council enacting their Municipal Emergency Management Plan; or
- Where Council has otherwise resolved that an event has resulted in significant and wide spread damage to the municipality and/or threatens to endanger the safety or health of residents and/or which destroys or damages, or threatens to destroy or damage property and/or endangers or threatens to endanger the environment. (e.g. bushfires, severe flooding)

11.1. Enactment of Emergency Provisions

The CEO will inform Councillors in writing that these provisions have been invoked and, once the immediacy of the incident has passed, the CEO shall report to Council outlining the use of the Emergency Provisions.

11.2. General

Where the emergency event has, or is likely to have, a significant negative impact on the local regional economy, Council may amend and enhance the pre-existing measures which are designed to support and promote the use of local business.

Variation that may be applied to Clause 8- CSR Procurement.

As part of a Tender or Request for Quotation process, an evaluation panel may assign a weighting of up to 30% to selection criteria for the engagement of local businesses (including economic contribution to the local region) in lieu of the standard 10%.

11.3. Purchases Below the Tendering Threshold

To facilitate Council’s ability to respond to an emergency event effectively, there may be greater demand to directly source suppliers without competition.

Council may amend its established sole sourcing provisions, where the process of obtaining and evaluating quotes will unduly delay or frustrate Councils ability to respond efficiently to an emergency incident.

Variation that may be applied to Clause 5.2.3 Sole Source Justification

Approval to use a sole supplier may be given at the Manager level or above, instead of General Manager level or above.

An officer may source a direct quote from a supplier, prior to having their sole source application approved, on the proviso that prior to that supplier being engaged, approval to sole source has been finalised and recorded.

11.4. Purchases Above the Tendering Threshold

Council may enter into a contract, the value of which reaches the threshold amounts, for the provision of goods, services or works without first putting that contract to public tender, if it is determined by the CEO that the contract must be entered into because of an emergency.

When a situation ceases to be unforeseen or no longer requires immediate action to protect lives or property then the basis for use of this power also ceases.

This power cannot be relied upon for extended works and services, required after the need for an emergency response has passed,

Once the immediacy of the incident has passed, the CEO shall report to Council the use of this power and details of contracts entered into as a result.

12. Policy Owner and Contact Details

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

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.
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	(CSR) is about taking positive action to demonstrate Council's commitment to the local community and environment on which it impacts.
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.
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.
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
Supplier	An external person or organisation from which Council purchases goods and services in accordance with 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.

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

Related Procedure

Nil.

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

Document History

Version	Document History	Approved by – Date
1	<i>Amended</i>	<i>Council Resolution – 26 May 2020</i>