

Procurement	Document No:	SCS-019
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Authorising Officer:	Chief Executive Officer	

1. Purpose

This policy is to provide guidance to allow consistency and control over procurement activities and demonstrate the application of best practice and best value principles in procurement.

2. Scope

This policy requires Council to comply with principles, processes and procedures applied to all purchases of goods, services and works by the Council.

3. Application

This policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants while engaged by the Council.

4. Definitions

The Act	<i>Local Government Act 1989.</i>
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party e.g., prices, discounts, rebates, profits, methodologies and process information, etc.
Contract	An agreement between two or more authorised persons on behalf of their organisations to perform or not perform specific act(s) that is enforceable in law. A contract may be verbal or written or inferred by conduct. A contract is to be distinguished from a 'contract pursuant to Section 186 of the Act.'
Contractor	Respondent (person, firm etc.) whose tender/quotation offer has been accepted by the council with or without modification.
Contract Documents	Documents construed together as an instrument of contract. They may include terms and conditions, specifications, drawings, tender responses, delivery schedules and payment schedules
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	In Victorian local government the law provides that a staff member holding a delegation or advising Council or a Special Committee has a conflict of interest which they must disclose in writing when they have a personal or private interest of the type specified in the legislation. Refer to Sections 80B and 80C of the Act.
Corporate Social Responsibility (CSR) Practices	Relates to Council's supply chain being ethical, knowledgeable, reputable and where possible supporting green and sustainable products.
Evaluation Criteria	The criteria used to evaluate the compliance and/or relative ranking of tender responses. All evaluation criteria must be clearly stated in the request documentation
Expression of Interest	A response to an open approach, usually by public advertisement, to the market requesting submissions from prospective suppliers interested in procurement. The list of potential suppliers who have provided expressions of interest may be used as the basis for conducting a select tender process.

GST (Goods and Services Tax)	All monetary values stated in this policy exclude GST, unless specifically stated otherwise.
Late Tender	A late tender is one not received in the 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	The dictionary definition of 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.
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.
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.
Standing Offer Agreement	A contract that sets out rates for goods and services that is available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods and services.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Tender	An offer in writing to supply goods and/or services, usually submitted in response to a public or selective invitation such as a Request for Tender.
Tender Opening Panel	The Panel selected to make decisions relating to tender submissions. This will consist of three relevant Council officers, ideally one of whom should be at manager level or above.
Tender Process	The process of inviting parties to submit a quotation or tender by public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Quotation Process	The process of inviting parties to submit a quotation followed by evaluation of submissions and selection of a successful bidder or tenderer.
Registration of Interest	The definition is the same as an Expression of Interest.
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.

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5. Policy

5.1 Background

Surf Coast Shire Council recognises that:

- 5.1.1 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 such as sustainable and socially responsible procurement; bottom-line cost savings, supporting local economies; achieving innovation; and better services for communities.

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 a 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 major procurements.

- 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 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;
- 5.1.2.3 achieve value for money and quality in the acquisition of goods, services and works by the Council;
- 5.1.2.4 can demonstrate that public money has been well spent;
- 5.1.2.5 are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- 5.1.2.6 seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost while; and
- 5.1.2.7 generate and support business in the local community.

5.2 Treatment of GST

All monetary values stated in this policy exclude GST, except where specifically stated otherwise.

5.3 Effective Legislative and Policy Compliance and Control

5.3.1 Ethics and Probity

The Council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny.

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.

Council staff responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

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 tender and quotation processes shall be conducted 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 shall not participate in any action or matter associated with the arrangement of a contract (ie evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for the work.

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

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so that it can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product 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:

- 5.7.1 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
- 5.7.2 to leave an audit trail of procurement activities for monitoring and reporting purposes.

5.8 Gifts and Hospitality

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

5.9 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.

Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorised pre-contract negotiations.

5.10 Governance

5.10.1 Structure

The 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 contractors and 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

The 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 Code of Conduct, and
- 5.10.2.4 Other relevant legislative requirements such as but not limited to the Trade Practices Act, Human Rights Charter, Goods 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, only when the purchasing system is not readily accessible.

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

Typically a multi-stage tender process will commence with a registration of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

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.

Where tender sum exceed budget allocation, Council will review scope of project or submit a report for expenditure variation to budget.

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:

1. 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
2. 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

The Policy will be amended from time to time to alter minimum spend competition thresholds, but at all times clear guidelines will be provided. This will be based on the size and complexity of the proposed procurement activities. Cumulative purchases contribute to the spend thresholds.

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, in accordance with Council's Management Policy and Procedures.

However, should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better result for the Council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds.

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 Procurement by quotation method, in accordance with Council's Management Policy and Procedures, 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+	Public tender process to be undertaken	Detailed records of the tender process undertaken must be maintained in Council's Records Management System

* Where the value of the purchase is below the tender threshold, and is being made under an existing Council Panel Contract or Standing Offer Agreement, then a minimum of two written quotes may be sought.

5.14 Sole Source Justification

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

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

5.15 The 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 consultancy or services above \$135,000.

5.16 Advertising

5.16.1 Quotations having a total \$135,000 and works having a total valuation of \$180,000 or less may be advertised at the Council staff member's discretion. This may occur when a field of potential tenderers has not been established, an innovative approach is required, or the project has broad appeal that may attract keen prices etc.

5.16.2 This may occasionally occur where there are few local suppliers for the goods, services or works being sought or the work is highly specialised. In this case, the details of the contacted suppliers must be recorded on the file or recommendation and an appropriate comment recorded.

5.16.3 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 advertised and undertaken by public tender

5.17 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.

5.18 Delegations

5.18.1 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.

5.18.2 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.

5.19 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.

5.20 Commercial Information

Procurement activities will be carried out in a way that supports Council staff in meeting their obligations in order to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed and published (where applicable) in an appropriate manner in accordance with the relevant Council guidelines.

5.21 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.

5.21.1 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 appointing a probity auditor for tenders in excess of \$5 million, or as Council determines from time to time.

5.22 Contract Terms

All contractual relationships must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be obtained from the appropriate member of Council staff listed in the Delegations section or above. A request for such an approval should be supported with procurement and legal advice as relevant.

All contractors must obey and ensure that their employees, sub-contractors and agents obey any Acts, regulations, local laws and by-laws in any way applicable to the performance of a contract. Contractors must also comply with the terms of any relevant Commonwealth and State industrial instruments in respect to its employees and ensure that any agents and sub-contractors also comply with these obligations.

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.

5.23 Endorsement

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

5.24 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the possibility of disputes getting out of hand and leading to legal action.

5.25 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:

- 5.25.1 establishing a system reinforcing the performance of both parties' responsibilities and obligations under the contract;
- 5.25.2 providing a means for the early recognition of issues and performance problems and the identification of solutions; and
- 5.25.3 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.

5.26 Demonstrate Sustained Value

5.26.1 Integration with Council Strategy

Council's procurement strategy shall support the aims and objectives of the Council Plan.

5.26.2 Achieving Value for Money

Council's procurement activities will be carried out on the basis of obtaining Value for Money.

5.26.3 Approach

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; and
- 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.

5.26.4 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.

5.27 Performance Measure 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.

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.

The performance measurements developed will be used to:

5.27.1 Highlight trend and exceptions where necessary to enhance performance.

5.27.2 Improve the internal efficiency of the procurement process and where relevant the performance of suppliers

5.27.3 Facilitate programmes to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.

5.28 Sustainability

5.28.1 The Council is committed to achieving 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,
- green building design, and
- procurement.

5.28.2 Sustainable Procurement

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.

Value for Money purchasing decisions made by Council are carried out on the basis of whole-of-life cost and non-price factors including contribution to Council's sustainability objectives.

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:

5.28.3 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.

5.28.4 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.

5.28.5 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.

5.28.6 Diversity

Promoting equality through procurement can improve competition, Value for Money, the quality of public services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

5.28.7 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.

Wherever practicable, Council will fully examine the benefits through purchasing goods, services or works from local suppliers/contractors.

Council will also seek from prospective suppliers/contractors, where applicable, details of the economic contribution they will make to the local Shire. A weighting percentage up to a maximum value of 10% will be assigned to this criterion for assessment. The percentage applied to any procurement will be determined by the quotation or tender evaluation Panel.

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.

5.28.8 Apply a Consistent and Standard Approach
Council will provide effective and efficient commercial arrangements for the acquisition of goods and services.

5.28.9 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.

5.28.10 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.

5.29 Build and Maintain Supply Relationships

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

5.29.1 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.

5.29.2 Supply Market Development

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

5.29.3 Relationship Management

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

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

5.29.4 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.

5.29.5 Continual Improvement

The 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.

5.29.6 Policy Owner and Contact Details

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

For further information on application of the policy, please contact the Coordinator Governance & Procurement on 03 5261 0503

6. 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

7. References

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