



Procurement Policy

Version 6

Ratified by Council: 25 August 2021

DOCUMENT CONTROL INFORMATION

Policy Name	Procurement Policy
Business Unit	Business Strategy and Performance
File Location	Intranet / RelianSys
Document status	Final
Version	6
Version Date	25 August 2021
Next Review date	25 August 2024

DOCUMENT HISTORY

	Version	Date	Author
Approved	1	12 March 2014	Bernie Naylor
Draft	1.1	29 March 2019	Tammy Smith / Bernie Naylor
Draft	1.2	23 April 2019	Jessie Holmes
Approved	2	22 May 2019	Jessie Holmes
Approved	3	16 September 2019	Jessie Holmes
Approved	4	27 May 2020	Tammy Smith
Draft	4.1	19 August 2020	Tammy Smith
Approved	5	26 August 2020	Tammy Smith
Draft	5.1	01 June 2021	Tammy Smith
Approved	6	25 August 2021	Tammy Smith

Table of Contents

DOCUMENT CONTROL INFORMATION	2
DOCUMENT HISTORY	2
Table of Contents	3
1 Principles	6
1.1 Background.....	6
1.2 Objectives	6
1.3 Scope.....	6
1.4 Application of Policy	6
1.5 Legislative Compliance Standards	6
2 Owner	7
3 Treatment of GST	7
4 Definitions and Abbreviations	7
5 Procedure and Guidance Notes	9
5.1 Effective Legislative and Policy Compliance and Control – Ethics and Probity	9
5.2 Conduct of Councillors and Council Staff	10
5.3 Tender Processes	10
5.4 Conflict of Interest	10
5.5 Fair and Honest Dealing.....	11
5.6 Accountability and Transparency.....	11
5.7 Gifts, Benefits and Hospitality.....	12
5.8 Disclosure of Information.....	12
6 Governance	13
6.1 Governance Structure	13
6.2 Standards.....	13
6.3 Methods of Purchasing.....	13
6.4 Responsible Financial Management.....	15
7 Procurement Thresholds and Competition Requirements	15
7.1 Value for Money	15
7.2 Minimum Spend Competition Thresholds	15
7.3 Payments	16
7.4 Prepayments	16
7.5 Ministerial Approved Arrangements and Agency Agents	16
7.6 Exemption from RFX Process.....	17
7.7 Total Cumulative Spend	18
8 Determining the Procurement Process	19

8.1 Tenders and Invitations to Supply	19
8.2 Expression of Interest.....	19
8.3 Market Approach.....	19
8.4 Statutory Payments	20
8.5 Public Advertising.....	20
8.6 Insufficient Quotations	20
9 Evaluation Criteria	21
10 Delegation of Authority	21
10.1 Delegations	21
10.2 Internal Controls.....	22
11 Tender / Contract Management.....	23
11.1 Risk Management	23
11.2 Health and Safety.....	23
11.3 Supply by Contract.....	23
11.4 Contract Terms	23
11.5 Endorsement.....	23
11.6 Dispute Resolution	23
11.7 Contract Management.....	23
11.8 Variances.....	24
12 Demonstrate Sustained Value and Integration with Council Strategy	24
12.1 Achieving Best Value for Money.....	24
12.2 Approach.....	24
12.3 Collaboration	25
13 Role of Specifications	25
14 Performance Measure and Continuous Improvement.....	25
15 Sustainability	25
15.1 Sustainable Procurement	26
15.2 Environmental Purchasing.....	26
15.3 Corporate Social Responsibility.....	27
15.4 Social Procurement.....	27
16 Support of Local Business.....	27
17 Diversity	27
18 Apply a Consistent and Standard Approach	28
19 Standard Processes	28
20 Performance Indicators	28
21 Management Information	28

22 Build and Maintain Supply Relationships	29
22.1 Developing and Managing Suppliers	29
22.2 Supply Market Development	29
22.3 Relationship Management.....	29
22.4 Communication	29
22.5 Continual Improvement	30
22.6 Compliance Responsibility	30
22.7 Charter of Human Rights Compliance	30
23 Review Process	30
24 Supporting Documents	30
Annexure A.....	31

1 Principles

1.1 Background

Yarriambiack Shire Council recognises that a procurement strategy and best practice contract and procurement principles, policies, processes and procedures will enhance the achievement of Council objectives such as socially responsible procurement, value for money, achieving innovation and providing best value services to the community.

1.2 Objectives

The objectives of this Policy are to:

- a) Set a good governance and compliance direction for Council and Council employees in undertaking procurement.
- b) Establish a procurement framework for Council to achieve value for money and continuous improvement in the provision of services for the community.
- c) Ensure that Council resources are used efficiently and effectively to improve the overall quality of life of people in the local community.
- d) Achieve compliance with relevant legislative requirements.
- e) Achieve high standards of probity, transparency, accountability and risk management.
- f) Give preference to social procurement when considering the purchase of goods, services and works.
- g) Ensure all contractors and suppliers will be afforded an equal opportunity to tender or quote.
- h) Give preference to the procurement of goods, services and works from within Yarriambiack Shire Council and surrounding municipalities where price, quality, services, standards and delivery is comparable to other suppliers.
- i) Collaborate with other Councils and public bodies in the procurement of goods and services.

1.3 Scope

This Policy provides the principles, processes and procedures that will be applied to the purchases of all goods, services and works obtained and/or undertaken by Council.

This Policy applies from when Council has identified a need for the procurement of goods, services and works and it continues through to the delivery of goods or completion of works or services.

1.4 Application of Policy

This Policy will apply to all Councillors, Council employees and all persons engaged in procurement on Council's behalf, and they will be accountable for compliance with all relevant legislative requirements and requirements of this Policy.

1.5 Legislative Compliance Standards

This Procurement Policy is made in accordance with the Local Government Act. The Act is the key legislative framework that regulates the process of all Local Government procurement in Victoria. 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.

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

Council will adhere to the provisions within the Act for all procurement matters consistent with the Victorian Local Government Best Practice Procurement Guidelines.

2 Owner

The owner of this Policy is the Chief Executive Officer. Enquiries regarding this Policy should be directed to the Director Business Strategy and Performance.

3 Treatment of GST

All monetary values stated in this Policy are excluding GST, except where specifically stated otherwise.

4 Definitions and Abbreviations

Term	Definition
Act	<i>Local Government Act 2020.</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. 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.
Contract	An agreement between two or more authorised persons on behalf of their organisations to perform or not perform a specific act/s that is enforceable in law. A contract may be verbal or written or inferred by conduct.
Contract Documents	Documents construed together as an instrument of contract. They may include terms & conditions, specifications, drawings, tender responses, delivery schedules and payment schedules.
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.
Consultant	Respondent (person, firm etc) whose tender/quotation offer has been accepted by the Council with or without modification. A Consultant is a person who provides expert professional advice.
Contractor	Respondent (person, firm etc) whose tender/quotation offer has been accepted by the Council with or without modification. A Contractor is a person or business that undertakes a contract to provide materials or labour to perform a service or do a job.
Council Staff	Includes full-time and part-time Council officers and temporary employees, contractors and consultants engaged by the Council.
Emergency	<ul style="list-style-type: none"> Any urgent circumstance which may present a risk to public health and/or safety The failure of a 'key service provider' Significant damage to municipal building (where it is no longer safe)

Term	Definition
	Major business disruptions such as an extensive IT failure resulting in a loss of services to the community.
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.
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.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
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.
e-Procurement	e-Procurement is integral to the overall development of procurement processes and involves the use of an electronic system/s to acquire and pay for supplies, services and works.
Corporate Social Responsibility (CSR)	Corporate Social Responsibility (CSR) is about taking positive action to demonstrate the Council's commitment to the local community and environment on which it impacts.
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.
Late Tender	A late tender is one that it is not received prior to the advertised closing date/time.
Local Content / Local Businesses	Defined as labour, materials, plant and supervision, which are sourced from within the Shire boundary.
Prepayment	A payment made for goods/services prior to any works being undertaken.
Procurement Card	A procurement card is a type of company charge card used for smaller purchases to achieve greater cost efficiency, control and convenience. Procurement cards are also known as purchasing cards, Fleet Cards. Procurement cards can be tied to either a credit card or a bank account.
Expression of Interest (EOI)	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.

Term	Definition
Request for Information (RFI)	A request for information is a solicitation document used to obtain general information about products, services or suppliers and can be used to gather information to assist with making a decision on what steps to take prior to the issuing of RFQ/RFT's.
Request for Proposal (RFP)	A request for proposal is generally sent to the supplier market, designed to capture commercial information and pricing. Allows Council to assess suitability and evaluate responses against a set of pre-defined requirements.
Request for Quotation (RFQ)	A request for quotation (RFQ) is a document that an organisation submits to one or more potential suppliers eliciting quotations for a product or service. Typically, an RFQ seeks an itemised list of prices for something that is well-defined and quantifiable.
RFx (Request for..)	RFx is a term used to refer to a family of 'Request for...' documents used to solicit responses of various types from suppliers. The three most commonly used documents in this family include Expression of Interest (EOI), Request for Quote (RFQ), and Request for Tender (RFT).
Specifications	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 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.
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 Process	The process of inviting parties to submit a quotation or tender by public or private advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Value for Money	Value for Money in procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including: 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.
Variance	Is an alteration to the scope of works in a construction contract in the form of an addition, substitution or omission from the original scope of work.

5 Procedure and Guidance Notes

5.1 Effective Legislative and Policy Compliance and Control – Ethics and Probity

This Policy represents the principles, processes and procedures that will be applied to the purchase of all goods, services and works by Council. The scope of this Policy commences from when Council has

identified a need for procurement requirements through to the delivery of goods or completion of works or services.

This Policy will apply to Councillors, Council staff and all persons undertaking procurement on Council's behalf and they are accountable for complying with all relevant procurement legislative and Policy requirements.

5.2 Conduct of Councillors and Council Staff

Councillors and members of staff (and all persons engaged in procurement on Council's behalf) must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny.

All members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

In procurement matters:

- a) Treat potential and existing suppliers with equality and fairness.
- b) Maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information.
- c) Members of staff must disclose a general conflict of interest and/or material conflict before providing advice or reports (or any other matter).
- d) Council officers delegated Council powers or duties are prohibited from exercising those powers, duties or functions if they have conflicts of interest.
- e) A Councillor must avoid conflicts between his or her public duties as a Councillor and his or her personal interests and obligations. Councillors (and members of audit committees) must disclose a conflict of interest in accordance with the Local Government Act.
- f) Councillors must comply with the Councillor Code of Conduct.
- g) Councillors must not improperly direct or improperly influence a member of Council staff in the exercise of any power on/in the performance of any duty or functions.
- h) Members of staff must comply with the Employee Code of Conduct for Council.
- i) All staff engaged in the evaluation of quotation or tender evaluation must adhere to this Policy and complete and lodge a Conflict of Interest Declaration and a Deed of Confidentiality.
- j) All Councillors and Staff must adhere to Council's Gifts, Benefits, Hospitality Policy in matters of procurement.

Councillors and Council staff must make their interests known in any situation where it could be perceived that an interest might unduly influence them.

5.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this Policy and the Procurement Management Manual, relevant legislation and relevant Australian Standards and the Act.

5.4 Conflict of Interest

Councillors and Council staff must avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties.

Councillors and Council staff must not participate in any action or matter associated with the arrangement of procurement and a contract (i.e. 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.

Councillors and Council staff must:

- a) **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.
- b) **Declare** that there is no conflict 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 or board aware and allow them to decide whether the officer should continue to be involved in the specific procurement exercise.
- c) **Observe** prevailing Council and Victorian Local Government guidelines on how to prevent or deal with conflict of interest situations; and not take advantage of any tender related information 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 Council.

5.4.1 Council Staff - Businesses and Plant

- a) Councillors and Staff who own or have a financial interest in a business may submit a tender for goods and/or services however, they must declare the conflict of interest to the Chief Executive Officer or as part of their Tender / Offer submission.
- b) Staff who own or have a financial interest in a business cannot directly procure goods and/or services from their own business on behalf of Council.
- c) Staff must declare their financial interest in a business to the Chief Executive Officer on commencement of employment or when they acquire the interest in the business.
- c) Council will not hire, lease or contract plant and/or equipment that:
 - a staff member owns, leases, or has a financial interest in;
 - a staff member's direct family owns, leases, or has a financial interest in; or
 - a staff member's business or trust owns, leases, or has a financial interest in.

5.5 Fair and Honest Dealing

- a) All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.
- b) Impartiality must be maintained throughout the procurement process so it can withstand public scrutiny.
- c) The commercial interests of existing and potential suppliers must be protected.
- d) 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.
 - i. Unsuccessful tenderers / invitees will be notified at the conclusion of the procurement process and provided with the following information: The name of the successful tenderer / invitee.
 - ii. The award price / schedule of rates of the successful RFx.

5.6 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.

Name Procurement Policy	This Document is Uncontrolled when Printed	Responsible Officer: Director Business Strategy and Performance	
Version: 6.0	Issue Date: 25 August 2021	Next Review: 25 August 2024	Page 11/ 32

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

Additionally:

- a) The responsible Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council.
- b) Where necessary, brief tenderers regarding the documented decision-making process.
- c) All procurement activities are to leave an audit trail for monitoring and reporting purposes.

5.7 Gifts, Benefits and Hospitality

No Councillor or member of Council staff shall, either directly or indirectly, solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the Officer, or in which the Council is interested.

Councillors and Council staff must not accept gifts, benefits or hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings.

Councillors and Council staff should not visit the premises of a contractor, organisation, firm or individual uninvited unless on official business. All business negotiations in accordance with the Procurement Policy and Procurement Management Manual should be conducted on Council premises.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how flimsy the evidence available), must be promptly brought to the attention of the Chief Executive Officer or the Mayor.

5.8 Disclosure of Information

Information received by Council that is Commercial in Confidence must not be disclosed and is to be stored in a secure location. Councillors and Council staff are to protect, by refusing to release or discuss information to the extent that it is, Commercial in Confidence.

This may include information disclosed by organisations in tenders, quotations or during tender negotiations:

- a) Pre-contract information including, but not limited to, information provided in quotes, tenders or subsequently provided in pre-contract negotiations.
- b) Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.
- c) 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.
- d) At no stage should any discussion be entered into with any tendering party or its representative or agent that could have potential contractual implications prior to the contract approval process being finalised, other than authorised pre-contract negotiations.

Discussion with potential suppliers during tender or quotation evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier. Such discussions should only occur with the authorised person nominated in the evaluation process.

6 Governance

6.1 Governance Structure

The Council shall:

- a) 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.
- b) Ensure that 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.
- c) Ensure that prospective contractors and suppliers are afforded an appropriate opportunity to tender/quote.
- d) Encourage competition.
- e) Ensure that policies that impinge on the purchasing policies and practices are communicated and implemented.

6.2 Standards

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

- a) The Act.
- b) Council's policies, procedures and guidelines.
- c) The Council's Code of Conduct, (Includes Councillors Code of Conduct and Employee Code of Conduct).
- d) Local Government Best Practice Procurement Guidelines.
- e) Other relevant legislative requirements such as, but not limited to, the *Trade Practices Act*, *Goods Act* and the *Environmental Protection Act*, and the relevant provisions of the *Competition and Consumer Act 2010*. Procurement operations are consistent with prescribed rights and responsibilities and they respect the 20 fundamental rights within the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

6.3 Methods of Purchasing

The Council's standard methods for purchasing goods, services and works shall be by some or all of the following methods:

- a) Procurement Card (e.g. Credit Card, and Debit Card). Note all purchase via a credit card and/or debit card must be undertaken by first completing a [Credit and Debit Card Purchase Request Form](#). The form must be approved by applicable Council Officer prior to purchase being undertaken.
- b) Fleet card. Fuel can only be purchased via authorised fleet cards (Refer to Fleet Card section of Procurement Management Manual).
- c) Purchase order requisition for all goods and services (unless via procurement card, credit or debit card).
- d) Purchase order requisition following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds.
- e) Under contract following a tender process.
- f) Where Council is satisfied that Value for Money requirements have been fulfilled, under purchasing schemes including collaborative purchasing arrangements with other Councils and

commercial schemes such as provided by Procurement Australia, the Municipal Association of Victoria (Vendor Panel) and the State Government Purchasing Panel. Utilising this method would not require Council to go to market with an RFx.

- g) Where Council is satisfied that Value for Money requirements have been fulfilled in item 6.3 (f), Council may utilise that pricing to negotiate a best and final offer from a local supplier.
- h) Unless other arrangements authorised by Council or the Chief Executive Officer on a needs basis as required by abnormal circumstances such as emergencies.

The Council may, at the Chief Executive Officer's discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders.

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

Council may also choose to seek Requests for Information or Requests for Proposals as a precursor to the tender process.

A Council Director or Manager may determine to seek Expressions of Interest where:

- a) There is likely to be many tenderers and tendering will be costly or the procurement is complex; and Council does not wish to impose the costs of preparing full tenders on all tenderers.
- b) There is uncertainty as to the willingness and/or interest of parties or vendors to offer the potential products or services or to undertake the proposed works.
- c) The requirement is complex, difficult to define, unknown or unclear.
- d) The requirement is capable of several technical solutions.
- e) The requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

An Expression of Interest process can be undertaken where determined by the Chief Executive Officer, a Director or Manager and where Council advertises publicly:

- a) The purpose and nature of the contract.
- b) The date by which it will invite tenders.

Tenders and Expressions of Interest should not be used to compensate for a lack of understanding as to a Council's needs. If uncertain what is required; a simple Request for Information should be undertaken. A Request for Information may be undertaken for reasons which include establishing:

- a) The availability of technologies, products or services available in the market place to meet Council needs.
- b) Whether proposed terms and conditions or deliverable expectations are acceptable in the market place.
- c) Whether proposed budgets are adequate to meet non-standard procurement needs – inadequate budgets should not become apparent when tenders are opened.

A Request for Information should be used rather than a Request for Tender or Expression of Interest in order to improve understanding of needs, availability and likely costs.

A Request for Information will be undertaken similar to an Expression of Interest and advertised accordingly. Care must be taken when writing a specification for a Request for Information to ensure there is no commitment to purchase inadvertently included.

6.4 Responsible Financial Management

The principle 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 staff that breach their delegated authority may face disciplinary action in accordance with Council's Human Resource Policy and Guidelines Manual.

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.

7 Procurement Thresholds and Competition Requirements

Council procurement processes are based on the Value for Money Principle:

7.1 Value for Money

The benefits of the purchase are weighted against the costs necessary for the optimum result for the Council and local community. The Council is not required to accept the lowest tender. Instead, the Council is required to take into account issues of quality, cost, the accessibility of the service and other factors relevant to the overall objectives of the Local Government Act.

Value for Money is often mistaken for meaning the lowest price, however, in terms of the contracting process; Value for Money requires the balance of quality, price and Council objectives, with as much transparency as is reasonably achievable.

Achieving Value for Money also requires *challenging* the need for the procurement and the way in which the service may be reconfigured to achieve improvements in service delivery, *comparing* service provision options against all those available, *consulting* with key stakeholders and ensuring *competition* in the open market.

Achieving Value for Money must be the basis of all procurement decisions within the Council.

7.2 Minimum Spend Competition Thresholds

Any Council procurement must comply with the Local Government Act and Council's own policy, guidelines and procedures.

Financial Thresholds (AUS \$ excluding GST)	Requirements			
	Responsibility	Market Engagement	Agreement Type	Documentation
\$0 - \$100	All departments	Price Comparison	Purchase Order Requisition	Note in Purchase Order Requisition of Price Comparison
\$101 to \$5,000	All departments	1 emailed or written Quote		Quote must be Registered with Purchase Order Requisition.
\$5,000 to \$15,000	All departments	1 emailed or written Quote		Quote must be Registered with Purchase Order Requisition.
\$15,001 to \$25,000	All departments	3 emailed or written Quotes *		Quote must be Registered with Purchase Order Requisition.
\$25,001 to \$80,000	All departments	Request for Quotation		Evaluation Report
\$80,001 to \$150,000	Infrastructure	Public Tender	Contract	Evaluation Report
> \$150,000				Evaluation Report

* A minimum of one of the three quotes **must be** obtained from a local supplier/provider wherever possible.

7.3 Payments

Payment for works or services will be made by the Principal on submission of Tax invoices by the Contractor in accordance with Council's policies.

Payment of all claims shall be subject to review by the Council's Authorised Officer that requested the works, and the applicable Manager, Director or the Chief Executive with financial delegation. All invoices shall be submitted in accordance with the Schedule of Rates forming part of the contract. It is the responsibility of the Authorised Officer to ensure that the claim complies with the contract.

7.4 Prepayments

Prepayments for any goods/services cannot be made without the prior approval of the Manager Corporate Services or the Chief Executive Officer.

7.5 Ministerial Approved Arrangements and Agency Agents

7.5.1 Ministerial Approved Arrangements

Council may procure goods, services or works without undertaking public quotation or tender process via the following supplier panels:

- a) Municipal Association of Victoria Procurement (MAV Procurement).
- b) Procurement Australia.

c) State Purchase Contracts (SPC's) and Whole of Victorian Government Contracts (WoVGs).

7.5.2 Process for Purchasing via Ministerial Approved Arrangements

Authorised Council Officers may purchase directly from the supplier panels as listed above in clause 7.5.1 to source goods, services or works. A supplier, consultant and/or contractor listed on an approved supplier panel has been assessed against a value for money criteria for inclusion on a preferred supplier panel arrangement.

The Council Officer is to source a quotation from an applicable supplier panel. The Council Officer is to consider how the procurement of the goods meets Council's requirements in relation to capability, capacity, price, social procurement and local supply. The Council Officer is to complete the [Value for Money Report – Procurement Panel](#), which must be considered by the Project Manager, applicable Director and a Technical Specialist, prior to being submitted to the Chief Executive Officer for approval.

Where the procurement exceeds the Chief Executive Officer's financial delegation, or a conflict of interest is declared, the procurement activity is to be approved by a resolution of Council.

7.5.3 Agency Arrangement – Council Acting as the Agent

Council may procure goods, services or works with a Council acting as the agent for a group of Council's provided that the agent Council complies with the requirements of the Act.

7.6 Exemption from RfX Process

The following circumstances are exempt from the general publicly advertised tender, quotations and expression of interest requirements:

Exemption Name	Explanation, limitations, responsibilities, and approvals
1. A contract made because of genuine emergency or hardship	Where the Council has resolved that the contract must be entered into because of an emergency (e.g., to provide immediate response to a natural disaster, declared emergency, etc.)
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party	This general exemption allows engagements: <ul style="list-style-type: none"> With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA).
3. Extension of contracts while Council is at market	Allows Council to extend an existing contract where the procurement process to replace the contract has commenced, and where the tender process or negotiations will take or are taking longer than expected. This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.

Exemption Name	Explanation, limitations, responsibilities, and approvals
4. Professional services unsuitable for tendering	Legal Services, Insurance.
5. Novated Contracts	Where the initial contract was entered into in compliance with <i>the Act</i> and due diligence has been undertaken in respect to the new party.
6. Information technology resellers and software developers	Allows Council to renew software licenses and maintenance and support, or upgrade existing systems, where there is only one supplier of the software who holds the intellectual property rights to the software. Includes but is not limited to: Microsoft Licensing, Adobe Licensing.
7. Regional Waste and Resource Recovery Groups	Situations where a Regional Waste and Resource Recovery Group constituted under the <i>Environment Protection Act 1970</i> had already conducted a public tender for and on behalf of its member councils.
8. Statutory Compulsory Monopoly Insurance Schemes	Motor vehicle compulsory third party WorkCover
9. Operating Leases	Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the vehicle.

7.7 Total Cumulative Spend

Care should be taken when reviewing the limits at 7.2 (above). Where significant sums are spent in aggregate with one supplier or on one service, it is necessary to structure procurement proposals (as requests for tenders, quotations or prices), in order to achieve greatest value and supplier performance by leveraging this cumulative spend, rather than treating each discrete arrangement as a separate procurement exercise. Council has determined that the cumulative expenditure to a supplier or for a specific product/service for a period of up to two years is to be taken into account unless the exemption is approved by the Chief Executive Officer.

For example, if Council is spending \$70,000 on stationery items each year and Council determines that the optimum period for obtaining value for money is two years; the indicative value of the contract is \$140,000 and it is therefore subject to the legislative requirement to seek tender proposals through a public process.

Should the Chief Executive Officer 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 the thresholds set under this Policy.

8 Determining the Procurement Process

8.1 Tenders and Invitations to Supply

A public tender / invitation to supply process must be undertaken as per the thresholds contained in this Policy when:

- a) Purchase of all goods and services for which the estimated expenditure exceeds \$80,000 (excluding of GST).
- b) Building and construction works for which the estimated expenditure exceeds \$80,000 (excluding GST).

8.2 Expression of Interest

An expression of interest is a two-step process. When the thresholds are met an Expression of Interest process does not replace the need to call tenders. It simply precedes the calling of tenders and generally seeks to constrain the number of, and focus the quality and detail of tenders received.

An Expression of Interest process is generally structured with the following components:

- a) Overview of requirements.
- b) Invitation to submit.
- c) Criteria for evaluating.
- d) Form offer (respondents form).

An expression of interest should be used in circumstances where:

- a) There is likely to be many tenderers, tendering will be costly or the procurement is complex.
- b) There is uncertainty as to the interest of suppliers or vendors to offer the potential products or services or to undertake the proposed work.

8.3 Market Approach

Purchase of goods and services may be undertaken using the procurement method as described below:

8.3.1 Items with a value up to \$100

- a) A price comparison is to be undertaken, where possible, for all purchases up to and/or equal to one hundred dollars. This may include catalogue searches, internet searches etc.
- b) The purchase order requisition is to be approved by the applicable Manager (as per Authorised Delegations Listing).
- c) Suppliers cannot be engaged unless authorisation has been granted.

8.3.2 Items with a value \$101 to \$5,000

- a) A Council Officer is required to seek as a minimum one written quote. The written quotation information is to be attached to the purchase order requisition request.
- b) The purchase order requisition is to be approved by the applicable Manager (as per Authorised Delegations Listing).
- c) Suppliers cannot be engaged unless authorisation has been granted.

8.3.3 Items with a value \$5,000 to \$15,000

- a) A Council Officer is required to seek as a minimum one written quotation. The written quotation information is to be attached to the purchase order requisition request.

- b) The purchase order requisition is to be approved by the applicable Manager (as per Authorised Delegations Listing).
- c) Suppliers cannot be engaged unless authorisation has been granted.

8.3.3 Items with a value \$15,001 to \$25,000

- a) The Council Officer is required to seek as a minimum of three written quotations.
- b) A minimum of one of the three quotes **must be** obtained from a local supplier/provider wherever possible.
- b) The quotation selected must represent the principles of value for money.
- c) The purchase order requisition is to be approved by the applicable Manager (as per Authorised Delegations Listing).
- c) Suppliers cannot be engaged unless authorisation has been granted.

8.3.4 Items with a value \$25,001 to \$80,000

- a) Council is to receive up to three written quotations by issuing a Request for Quotation which may be accompanied by a Public Notice.
- b) Details of the suppliers contacted and their quotations must be recorded in the Councils' records management system.
- c) The quotation selected must represent the principles of value for money in accordance with the Evaluation Plan (refer to Procurement Management Manual).
- d) The purchase order requisition is to be approved by the applicable Director and/or the CEO (as per Authorised Delegations Listing).
- e) Suppliers cannot be engaged unless authorisation has been granted.

8.3.5 Items with a value above \$80,001 and above

- a) Council requires that items with a value above \$80,001 are to be publicly advertised, via a public tender / invitation to supply / expression of interest process. (Refer to Section 8.1 of this Policy and the Procurement Management Manual).
- b) Details pertaining to the process must be recorded in the Councils' approved records management system.
- c) Suppliers cannot be engaged unless authorisation has been granted by the CEO and/or Council and a Contract/Agreement has been signed and executed by both parties.

8.4 Statutory Payments

The Chief Executive Officer has authority to approve statutory and compliance payments to Government and legislated authorities and/or organisations that are in excess of the Chief Executive Officer delegation recorded in this Policy.

8.5 Public Advertising

Quotations may be advertised at the discretion of the Directors and CEO in addition to the methods above. This may occur when a field of potential suppliers hasn't been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices.

8.6 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, the details of the contacted suppliers must be recorded and an appropriate comment recorded.

There may be occasions when only one quotation may be received. Such occasions would require approval of the Chief Executive Officer and would generally be considered under the following circumstances:

- a) In the event of emergency works for safety reasons.
- b) When there is only one known and reputable supplier.
- c) Where it can be demonstrated that multiple quotations were actively sought and responses were not forthcoming.

Where such circumstances occur, an [Internal Memo - Justification Non-Compliance to Procurement Policy](#) must be completed, signed by the Chief Executive Officer and submitted with the Purchase Order requisition.

9 Evaluation Criteria

The evaluation criteria for the Tender, Invitation to Supply, Expression of Interest and Request for Quotation process is outlined in the [Procurement Management Manual](#).

10 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, invitation to supply and contractual processes without prior referral to the Council. This enables the 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.

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

Refer to [Appendix A](#) for a list of Authorised Delegations Listing.

10.1 Delegations

10.1.1 Council Staff

The Council shall maintain a documented scheme of procurement delegations, identifying the Council staff authorised to make such procurement commitments in respect of goods, services and construction works on behalf of the Council and their respective delegations contained in Authorised Purchasing Levels ([Appendix A](#)) and the Procurement Management Manual:

- a) Acceptance of tenders and offers.
- b) Acceptance of quotes.
- c) Contract term extensions (within authorised budget).
- d) Contract amendment (non-financial).
- e) Contract amendment (financial).
- f) Appointment to register of pre-qualified suppliers.
- g) Credit Card and Debit Card purchases.

- h) Procedural exceptions.
- i) Variations and Contract term extensions.

10.1.2 Decisions Reserved for the Chief Executive Officer

- a) All contracts with expenditure equal to or less than \$150,000 (excluding GST) for Goods, Services and Works must be approved by the Chief Executive Officer or his or her delegate.
- b) Variations and Contract term extensions requiring additional budget that exceeds the Chief Executive Officer delegations must be approved by Council. The projects accumulative spend must be taken into consideration when assessing budget, contract extension and variation approvals. (E.g. Project approved by CEO for \$140,000. Variation to project scope for \$10,000 was approved by CEO. Total project is \$150,000. Further variation is required of \$20,000. This would increase the total accumulative spend on project to \$170,000 which is outside of the CEO's delegation. The Council would be required to assess and approve the budget, variation and contract changes.)
- c) Where the Chief Executive Officer has a declared Conflict of Interest, the RFx recommendation is to be presented to Council for final approval.

10.1.2 Decisions Reserved for the Council

Commitments and processes which exceed the Chief Executive Officer's delegation and which must be approved by the Council are:

- a) Initial signing and sealing of contract documents above the Chief Executive Officer's delegation or where the Chief Executive Officer declares a conflict of interest.
- b) Tender recommendations and contract approval for all expenditure over \$150,000 (excluding GST) for Goods, Services and Works.
- c) Variations and contract term extensions outside of the Chief Executive Officer's delegation.
- d) If a decision is made to exercise the contract extension clause of a contract where Council was required to sign and seal the original contract documents.

10.2 Internal Controls

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

- a) More than one person is involved in and responsible for, each procurement transaction.
- b) Transparency in the procurement process.
- c) A clearly documented audit trail exists for procurement activities and functions.
- d) Appropriate authorisations are obtained and documented.
- e) Systems are in place for appropriate monitoring and performance measurement.
- f) Maintain all records relevant to administering this Policy in accordance with the *Public Records Act 1973 (Vic)*.

Council will develop and maintain a Procurement Management Manual to provide guidance to staff on all operational aspects of procurement. The manual will include all checklists and forms required in Council's procurement process.

11 Tender / Contract Management

11.1 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 capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

Council will manage all aspects of its procurement processes in accordance with its adopted Risk Management Policy and in such a way that all risks, including occupational health and safety, are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and Council Policy.

11.2 Health and Safety

To ensure the health and safety of our workers and visitors, procurement will be undertaken in accordance with requirements set out in the Yarriambiack Shire Council's Health and Safety Management systems and approved policies and as required by legislation.

11.3 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:

- a) Standardising contracts to include current, relevant clauses.
- b) Requiring security deposits where appropriate (bank guarantee and/or retention).
- c) Referring specifications to relevant experts.
- d) Implementing a robust, systematic and unbiased tender / offer evaluation and due diligence process.
- e) Requiring contractual agreement before allowing the commencement of work.
- f) Use of or reference to relevant Australian Standards (or equivalent).
- g) Effectively managing the contract including monitoring and enforcing performance.

11.4 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 Chief Executive Officer.

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 doing this expose the Council to risk and thus must be authorised by the Chief Executive Officer.

11.5 Endorsement

Council staff must not endorse any products or services. Individual requests received for endorsement must be referred to the Chief Executive Officer.

11.6 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the risk of legal action.

11.7 Contract Management

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

- a) Establishing a system monitoring and meeting the responsibilities and obligations of both parties' under the contract.
- b) Providing a means for the early recognition of issues and performance problems and the identification of solutions.
- c) Adhering to Council's Risk Management Framework and adhering to relevant Occupational Health and Safety Contractor Compliance Procedures.

All Council 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 the Council receives Value for Money.

11.8 Variances

During the course of a contract there may be valid reason(s) when the contract needs to be varied; this variance to the contract normally comes with a cost. All claims for variances must be requested via a Variation Form and approved by the Officer with delegated authority as set out in Clause 10. All Variation Orders must be recorded on a Variation Register.

12 Demonstrate Sustained Value and Integration with Council Strategy

The Council procurement strategy shall support its corporate strategy, aims and objectives, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community such as:

- a) Feeling safe.
- b) Living in a clean and pleasant environment.
- c) Receiving good quality and well managed Council services that provide value for money.

12.1 Achieving Best Value for Money

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

This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinate of Best Value for Money.

12.2 Approach

This will be facilitated by:

- a) Developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle.
- b) Effective use of competition.
- c) Using aggregated/centralised contracts and Standing Offer Agreements where appropriate.
- d) Identifying and rectifying inefficiencies in procurement processes.
- e) Developing cost efficient tender processes including appropriate use of e-solutions (e.g. e-Procure).
- f) Council staff responsible for providing procurement services or assistance within the Council providing competent advice in terms of available products and agreements.
- g) 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.

12.3 Collaboration

Collaborate with other Council's and public bodies in the procurement of goods and services to achieve Best Value for Money.

This will be achieved by:

- a) Participate in networking opportunities and special interest groups within the region.
- b) Develop partnerships with small rural shires to facilitate regional training and professional development opportunities.
- c) As procurement opportunities arise, consult with local Council's and governing bodies to assess if there is an opportunity for joint procurement activities.

13 Role of Specifications

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

- a) Ensures impartiality and objectivity.
- b) Encourages the use of standard products.
- c) Encourages sustainability.
- d) Eliminates unnecessarily stringent requirements.
- e) Wherever possible specifies technical standards and requirements that are within the capabilities of local and other suppliers.

14 Performance Measure and Continuous Improvement

Appropriate performance measures are to be established and reporting systems will be used to monitor performance 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:

- a) Highlight trends and exceptions where necessary to enhance performance.
- b) Improve the internal efficiency of the procurement process and where relevant the performance of suppliers.
- c) Facilitate programs to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.

15 Sustainability

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

- a) Waste management.
- b) Recycling.
- c) Energy management.
- d) Emission management.
- e) Water conservation.

- f) Green building design.

15.1 Sustainable Procurement

Sustainable procurement is the acquisition of necessary goods and services that have least impact on the environment and human health, within the purchaser's capacity to do so.

The Yarriambiack Shire Council recognises it has an implicit role in furthering sustainable development, through its procurement of goods, services and works.

In addition, the Yarriambiack Shire Council recognises the potential impact this spend has on the environment and where applicable will integrate sustainability, environmental and social issues into the procurement process. The Council aims to achieve this by:

- a) Considering the need to minimise emissions and reducing the negative impacts of transportation when purchasing goods and services.
- b) Taking steps to minimise carbon dioxide and other greenhouse gas emissions through the detailed consideration of products and services procured.
- c) Considering the environmental performance of all suppliers and contractors and encouraging them to conduct their operations in an environmentally sensitive manner.
- d) Considering the basic life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products.
- e) Selecting products / services that have minimal effect on the depletion of natural resources and biodiversity.
- f) Working more effectively with local suppliers to ensure they are encouraged to bid for the Council's business in line with the Procurement Policy.
- g) Ensuring all relevant procurement contracts and tenders contain sustainability specifications as appropriate to the product or service being procured.

15.2 Environmental Purchasing

Environmental purchasing is the inclusion of environmental factors in decisions on the purchase of products and/or services. It is sometimes called "green", "sustainable" or "environmentally preferable" purchasing. The aim of considering environmental factors is to buy products or services that have less impact on the environment and human health than otherwise comparable products or services. Environmental purchasing can achieve several benefits:

- a) Reduce energy and water consumption (which can reduce costs).
- b) Improve resource use efficiency.
- c) Reduce waste (which can reduce waste disposal costs).
- d) Reduce environmental health impacts of products and services.
- e) Reduce pollution.
- f) Provide markets for new environmentally preferable products.
- g) "Close the loop" on recycling, improving the viability of recycling.
- h) Provide leadership to the community.
- i) Encourage industry to adopt cleaner technologies and produce products with lower environmental impacts.

15.3 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is about taking positive action to demonstrate the Council's commitment to the local community and environment on which it impacts. This means the Council maximising the benefits of the services they provide across the community and minimising the negative aspects of their activities.

The Council integrates CSR into its organisational policies and practices through social procurement, sustainability and diversity.

15.4 Social Procurement

Social procurement involves using procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works. For Local Government, social procurement builds on initiatives already undertaken by the sector in enhancing sustainable and strategic procurement practice, enabling procurement to effectively contribute to building stronger communities. Social procurement is a key mechanism by which to generate wider social benefits by providing a mechanism for linking and integrating social and economic agendas.

Yarriambiack Shire Council supports social procurement when engaging local suppliers, contractors and/or service providers and would seek Ministerial Exemption when the required works provide Value for Money to Council and would be advantageous to any of the following:

- a) Employment of disadvantaged groups.
- b) Employment of Apprentices.
- c) Employment of recognised Youth Traineeships.
- d) Employment of Youth labour.
- e) Benefits to local community.

16 Support of Local Business

Council is committed to buying from local businesses where such purchases may be justified on Best Value for Money principles.

Wherever practicable, Council will fully examine the benefits available through purchasing goods, services or works from suppliers/contractors within the Yarriambiack Shire Council boundary. Council will also seek from prospective suppliers/contractors where applicable, what economic contribution they will make to the Yarriambiack Shire Council municipality. All quotes should include a ten percent (10%) evaluation allowance for local businesses, depending on the type of procurement being sourced.

Council must endeavour to obtain a minimum of one quote from a local supplier where possible. In the event that this is not possible, the Accountable Officer will advise the Corporate Services Department so that supply gaps can be tracked and matched with future business opportunities.

A local supply weighting will be built into the evaluation criteria for all RFX Evaluation Plans as outlined in the Procurement Management Manual.

17 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.

18 Apply a Consistent and Standard Approach

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

19 Standard Processes

The 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 establishing the following:

- a) Pricing where relevant.
- b) Processes, procedures and techniques.
- c) Tools and business systems (e.g. implementing appropriate e-tendering, e-evaluation; e-catalogue or e-sourcing arrangements).
- d) Reporting requirements.
- e) Application of standard contract terms and conditions.

20 Performance Indicators

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

- a) The proportion of spend against corporate contracts.
- b) User and supplier satisfaction levels.
- c) Knowledge and skill of Council staff in procurement processes.
- d) Level of compliance and understanding of Council procurement policies.
- e) Measuring the success of procurement initiatives e.g. procurement cards.

21 Management Information

The Council seeks to improve its' performance by capturing and analysing procurement management information in a variety of areas, including:

- a) Volume of spend.
- b) Number of transactions per supplier.
- c) Compliance.
- d) Supplier performance.
- e) User satisfaction.
- f) Category management.
- g) Environment spend.

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

- a) Benchmarking data.
- b) Information from professional bodies such as the Chartered Institute of Purchasing and Supply Australia.

- c) Supplier reports.

22 Build and Maintain Supply Relationships

Council recognises that in order to achieve sustainable value, a strategic assessment of the appropriate 'channel to market' should be undertaken – whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State Government panel agreements or other means. Council will consider supply arrangements that deliver the best value outcomes in terms of time, expertise, cost, value and outcome.

22.1 Developing and Managing Suppliers

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

- a) Managing existing suppliers, via the appropriate development programs and performance measurements to ensure the benefits are delivered.
- b) Maintaining approved supplier lists.
- c) Developing new suppliers and improving the capability of existing suppliers where appropriate.

22.2 Supply Market Development

A wide range of suppliers should be encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations, offering business diversity include:

- a) Local businesses.
- b) Environmental suppliers.
- c) Small to medium sized enterprises.
- d) Social enterprises.
- e) Ethnic and minority business.
- f) Voluntary and community organisations.
- g) Local Content.

22.3 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:

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

22.4 Communication

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

- a) Information about Council and how to become an approved supplier.
- b) A list of existing and forthcoming contract opportunities, projected over a number of years.
- c) Guidelines for doing business with Council.

- d) Standard documentation used in the procurement process.
- e) Links to other relevant sites.

22.5 Continual 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.

22.6 Compliance Responsibility

- a) Council staff.
- b) Councillors.
- c) Special Committees.
- d) Contractors.

22.7 Charter of Human Rights Compliance

Council will ensure that all of its procurement operations are fully consistent with the prescribed rights and responsibilities and that they respect the fundamental rights within the Victorian Charter of Human Rights and Responsibilities Act 2006 (Vic).

23 Review Process

The policy will be reviewed every three years and in accordance with the *Local Government Act 2020 requirements*.

24 Supporting Documents

- a) Yarriambiack Shire Council's Authorised Delegations Listing.
- b) Yarriambiack Shire Council's Procurement Management Manual.
- c) Motor Vehicle Policy

Annexure A
**Authorised Delegations Listing as Delegated by the Chief Executive Officer
 Date: 01 July 2021 Valid for Three Years**

Position	Officer	Delegation Limit (excluding GST)	Procurement Delegations Description	Signature of Authorised Officer
Chief Executive Officer	Jessie Holmes	\$150,00.00	Approval of the purchase of Goods, Services and Works. Approval of and acceptance of RFX as per delegation limit.	
Chief Executive Officer	Jessie Holmes	\$150,000.00 \$150,000.00	Contract Term extension within authorised budget and financial delegation. Contract amendments within financial delegation (financial and non-financial). Procedural exceptions. Variations and contract term extensions within financial delegation, taking into account accumulative spend. Appointment of Pre-qualified Panel of Suppliers.	
Director Business Strategy and Performance	Tammy Smith	\$50,000.00	Approval of the purchase of Goods, Services and Works.	
Director Business Strategy and Performance	Tammy Smith	\$2,500	Corporate Debit Card	
Director Community Development and Wellbeing	Gavin Blinman	\$50,000.00	Approval of the purchase of Goods, Services and Works.	

Position	Officer	Delegation Limit (excluding GST)	Procurement Delegations Description	Signature of Authorised Officer
Director Assets and Operations	Michael Evans	\$50,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Corporate Services	Anita McFarlane	\$25,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Organisational Performance	Bernardine Schilling	\$25,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Community Development	Marianne Ferguson	\$25,000.00	Approval of the purchase of Goods, Services and Works.	 Marianne Ferguson (Sep 1, 2021 07:39 GMT+10)
Manager Community Health	Tim Rose	\$25,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Development Services	Adam Moar	\$25,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Operations	Joel Turner	\$25,000.00	Approval of the purchase of Goods, Services and Works.	
Manager Assets	Ram Upadhyaya	\$25,000	Approval of the purchase of Goods, Services and Works..	
Payroll / Accounts Payable Officer	Sam Callaby	\$2,500	Corporate Credit Card	 Sam Callaby (Sep 2, 2021 08:38 GMT+10)

Procurement Policy

Final Audit Report

2021-09-01

Created:	2021-08-30
By:	Tammy Smith (tsmith@yarriambiack.vic.gov.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAAxPJAS1w0qZzEFVs-sCE5LIJAQey4ZWS2

"Procurement Policy" History

-  Document created by Tammy Smith (tsmith@yarriambiack.vic.gov.au)
2021-08-30 - 9:56:51 PM GMT- IP address: 103.253.94.170
-  Document emailed to Gavin Blinman (gblinman@yarriambiack.vic.gov.au) for signature
2021-08-30 - 10:04:55 PM GMT
-  Email viewed by Gavin Blinman (gblinman@yarriambiack.vic.gov.au)
2021-08-30 - 10:11:18 PM GMT- IP address: 101.181.47.49
-  Document e-signed by Gavin Blinman (gblinman@yarriambiack.vic.gov.au)
Signature Date: 2021-08-30 - 10:12:45 PM GMT - Time Source: server- IP address: 101.181.47.49
-  Document emailed to Michael Evans (mevans@yarriambiack.vic.gov.au) for signature
2021-08-30 - 10:12:47 PM GMT
-  Email viewed by Michael Evans (mevans@yarriambiack.vic.gov.au)
2021-08-30 - 10:42:00 PM GMT- IP address: 124.184.233.153
-  Document e-signed by Michael Evans (mevans@yarriambiack.vic.gov.au)
Signature Date: 2021-08-30 - 10:46:59 PM GMT - Time Source: server- IP address: 124.184.233.153
-  Document emailed to Ram Uphadyaya (ruphadhyaya@yarriambiack.vic.gov.au) for signature
2021-08-30 - 10:47:01 PM GMT
-  Email viewed by Ram Uphadyaya (ruphadhyaya@yarriambiack.vic.gov.au)
2021-08-30 - 10:47:31 PM GMT- IP address: 110.146.198.142
-  Document e-signed by Ram Uphadyaya (ruphadhyaya@yarriambiack.vic.gov.au)
Signature Date: 2021-08-30 - 10:48:42 PM GMT - Time Source: server- IP address: 110.146.198.142
-  Document emailed to Joel Turner (jturner@yarriambiack.vic.gov.au) for signature
2021-08-30 - 10:48:44 PM GMT

 Email viewed by Joel Turner (jturner@yarriambiack.vic.gov.au)

2021-08-31 - 2:00:22 AM GMT- IP address: 116.240.140.226

 Document e-signed by Joel Turner (jturner@yarriambiack.vic.gov.au)

Signature Date: 2021-08-31 - 2:02:39 AM GMT - Time Source: server- IP address: 116.240.140.226

 Document emailed to Adam Moar (amoar@yarriambiack.vic.gov.au) for signature

2021-08-31 - 2:02:41 AM GMT

 Email viewed by Adam Moar (amoar@yarriambiack.vic.gov.au)

2021-08-31 - 2:36:47 AM GMT- IP address: 182.239.182.65

 Document e-signed by Adam Moar (amoar@yarriambiack.vic.gov.au)

Signature Date: 2021-08-31 - 2:37:38 AM GMT - Time Source: server- IP address: 182.239.182.65

 Document emailed to Tim Rose (trose@yarriambiack.vic.gov.au) for signature

2021-08-31 - 2:37:40 AM GMT

 Email viewed by Tim Rose (trose@yarriambiack.vic.gov.au)

2021-08-31 - 3:14:13 AM GMT- IP address: 180.150.37.203

 Document e-signed by Tim Rose (trose@yarriambiack.vic.gov.au)

Signature Date: 2021-08-31 - 3:15:11 AM GMT - Time Source: server- IP address: 180.150.37.203

 Document emailed to Marianne Ferguson (mferguson@yarriambiack.vic.gov.au) for signature

2021-08-31 - 3:15:13 AM GMT

 Email viewed by Marianne Ferguson (mferguson@yarriambiack.vic.gov.au)

2021-08-31 - 3:16:32 AM GMT- IP address: 121.221.152.17

 Document e-signed by Marianne Ferguson (mferguson@yarriambiack.vic.gov.au)

Signature Date: 2021-08-31 - 9:39:43 PM GMT - Time Source: server- IP address: 121.221.152.17

 Document emailed to Anita McFarlane (amcfarlane@yarriambiack.vic.gov.au) for signature

2021-08-31 - 9:39:45 PM GMT

 Email viewed by Anita McFarlane (amcfarlane@yarriambiack.vic.gov.au)

2021-09-01 - 2:19:06 AM GMT- IP address: 101.176.2.45

 Document e-signed by Anita McFarlane (amcfarlane@yarriambiack.vic.gov.au)

Signature Date: 2021-09-01 - 2:20:34 AM GMT - Time Source: server- IP address: 101.176.2.45

 Document emailed to Bernadine Schilling (bschilling@yarriambiack.vic.gov.au) for signature

2021-09-01 - 2:20:36 AM GMT

 Email viewed by Bernadine Schilling (bschilling@yarriambiack.vic.gov.au)

2021-09-01 - 11:03:01 AM GMT

 Document e-signed by Bernadine Schilling (bschilling@yarriambiack.vic.gov.au)

Signature Date: 2021-09-01 - 11:03:45 AM GMT - Time Source: server

 Document emailed to Sam Callaby (scallaby@yarriambiack.vic.gov.au) for signature

2021-09-01 - 11:03:47 AM GMT

 Email viewed by Sam Callaby (scallaby@yarriambiack.vic.gov.au)

2021-09-01 - 10:38:06 PM GMT

 Document e-signed by Sam Callaby (scallaby@yarriambiack.vic.gov.au)

Signature Date: 2021-09-01 - 10:38:41 PM GMT - Time Source: server

 Agreement completed.

2021-09-01 - 10:38:41 PM GMT