

Procurement Policy 2021-25

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1. Introduction

1.1 Purpose

The City of Boroondara ('Council') recognises the contribution that effective, ethical, equitable and transparent procurement makes in building trust and confidence with rate payers and key stakeholders of the Boroondara community.

The Council Procurement Policy ('Policy') is the overarching policy for the procurement of goods and services and works. It establishes a framework that maximises the benefits that can be delivered through procurement activities.

Council recognises the need to ensure its procurement framework establishes best practice principles including value for money, open and fair competition, accountability, risk management, probity and transparency.

Council also acknowledges its Corporate Social Responsibility in:

- the supply chains significant material impact on the organisation's sustainability performance;
- purchasing and procuring from local businesses as a priority, where the goods and/or services are available and represent overall value for money; and
- meeting Child Safe Standards, and ensuring processes are in place, after a child safe risk assessment is completed, for supplier engagements requiring a level of contact with children to reduce the risk to children.

Procurement decisions should support Council's commitment to environmental, social, ethical and local outcomes when seeking best overall value.

It is important to note that the Policy is the foundation document in Council's procurement framework which guides day to day decision making to support the achievement of Council's objectives and to meet Council's legislative requirements. The Policy is further supported by a series of associated guidelines and supporting procedures and manuals to support Council staff to effectively implement the principles in the Policy.

2. Scope

The Policy:

- supersedes any previous procurement policies and guidelines issued by Council;
- applies to all Councillors, Council employees (including temporary staff), contractors, consultants, third parties procuring on Council's behalf, volunteers and suppliers;
- applies to the procurement of goods, services and works; and
- all threshold levels that apply to the procurement of goods, services and works are exclusive of GST.

3. Policy context

3.1 Legislative context

The Council's procurement framework including the Policy, the associated guidelines and supporting procedures and manuals are designed to ensure Council's compliance with the requirements of sections 108 and 109 of the [Local Government Act 2020](#) (Vic) ('Act') and associated Regulations.

This includes the need to comply with Policy requirements during all procurement processes and providing appropriate reporting to Council regarding collaborative procurement opportunities with other Councils or public bodies.

The framework also supports section 9 of the Act, which includes an overarching governance principle that applies to every procurement that "the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted, and collaboration with other Councils and Governments and statutory bodies is to be sought".

3.2. Strategic context

The Policy shall support Council's corporate vision, strategies and other policies, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community.

4. Objectives

The objectives of the Policy are to:

- promote open and fair competition and provide value for money during procurement;
- provide policy and guidance to Council to allow consistency and control over procurement activities;
- demonstrate accountability to rate payers;
- provide guidance on ethical behaviour in public sector purchasing;
- demonstrate the application of elements of best practice in purchasing;
- ensure procurement processes align with Council's key strategic commitments to environmental sustainability; and
- maximise the probability of obtaining the right outcome when purchasing goods and services or undertaking works.

5. Guiding principles

Council's procurement activities are guided by the following procurement practice principles:

- open and fair competition;
- value for money ('VFM');

- risk management;
- probity and transparency;
- accountability; and
- sustainable and social procurement objectives.

5.1. Open and fair competition

Council's procurement activities and commercial transactions are underpinned by the highest standards of integrity, honesty, fairness and openness. All prospective suppliers are treated without bias (actual or perceived) and afforded the same access to information.

5.2. Value for money

Ultimately, there is a need to ensure that Council's procurement delivers value for money ('VFM') for Council and Boroondara's community. VFM means more than just the lowest price. In measuring VFM, it must also advance the Council's economic, environmental and social objectives for the long-term wellbeing of our community.

Council utilises a VFM methodology when assessing procurement quotations, tenders and proposals. Selection is based on the most advantageous outcome for Council and Boroondara's community. Council is not obliged to accept the lowest tender, proposal or quotation and may not decide to accept any offers it receives.

5.2.1. VFM criteria

To achieve VFM for the community, Council will look beyond upfront costs to make purchasing decisions based on the entire life cycle of goods and services or works, and take into account related costs, environmental/circular economy and social risks and benefits, end of life disposal, and broader social and environmental implications.

Council's procurement activities will be carried out on the basis of obtaining VFM consistent with acceptable quality, reliability and delivery considerations.

VFM in Council procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:

- a) contribution to the advancement of Council's priorities and objectives;
- b) non-cost factors such as fitness for purpose, quality, reliability, social and environmental impacts, service and support and end of life disposal options, support for local industry or employment; and
- c) 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.

VFM is best achieved by:

- a) developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the procurement lifecycle;

- b) aggregating purchasing whenever possible; and
- c) undertaking competitive procurement processes.

The Council may include the following evaluation criteria categories to determine whether a proposed contract provides VFM:

- Mandatory Compliance criteria (e.g. Australian Business Number ('ABN') registration, relevant statutory obligations).
- Tendered price.
- Capacity of the Tenderer to provide the Goods and/or Services and/or Works.
- Capability of the Tenderer to provide the Goods and/or Services and/or Works.
- Demonstration of Sustainable and Social Procurement Impact.

Further information regarding Council's VFM criteria is outlined in the VFM Guideline which forms part of the suite of procurement framework documents supporting the Policy.

5.3. Probity, transparency and accountability

Underpinning the Policy is the need for probity and integrity to remain integral components of all Council procurement. In addition, Council recognises its accountability for delivering timely outcomes using public resources and seeks to ensure Council decisions are transparent and defensible.

5.3.1. Probity advisors / Probity auditors

Council has a responsibility to ensure the highest level of integrity is maintained during procurement activities. To maximise the integrity of a procurement, Council may appoint an independent Probity Advisor and / or Probity Auditor.

The Probity Advisor and Probity Auditor must be independent from Council and must not be the same person or organisation.

5.3.1.1

Circumstances where a Probity Advisor and / or Probity Auditor must be engaged include procurement:

- with an expected value of \$5 million or over for goods and services; or
- with an expected value of \$10 million or over for works

5.3.1.2

Other circumstances where a Probity Advisor and / or Probity Auditor must be engaged include procurement:

- with an expected value of \$1 million or over for goods and services; or

- with an expected value of \$2 million or over for works; and
 - a) deemed high risk; or
 - b) deemed by the Executive Leadership Team to be complex or sensitive in nature; or
 - c) considered politically sensitive or subject to a high degree of public scrutiny.

5.3.2. Conflicts of interest

Councillors, Council employees, any external consultants / contractors engaged by Council and suppliers to Council, shall at all times comply with the following conflicts of interest requirements:

- Councillors – Councillors Code of Conduct including disclosing conflicts of interest as required, and conflict of interest requirements set out in the Act.
- Council employees - Council's Code of Conduct, and the conflict of interest requirements set out in the Act and the guidelines available from Local Government Victoria.
- Consultants / contractors - Contractor Welcome Kit.
- Suppliers - Supplier Code of Conduct.

Any actual or potential conflict of interest identified by Council employees, any external consultants / contractors and suppliers as part of any procurement process must be declared to the relevant Manager on the Conflict of Interest and Confidentiality Declaration form, or in such other manner as is directed by Council from time to time.

Any actual or potential conflict of interest identified by a Councillor when considering a report presented to the Council in relation to a contract award, must declare it and vacate the meeting at the time of the report being considered, in the manner required by the Act and Council's Governance Rules.

5.3.3. Canvassing

Suppliers of goods, services or works are prohibited from engaging Councillors, employees, consultant or third party agents to discuss any aspect of a tender, quote or contract other than the nominated contact for the tender or quote. Any engagement other than with the nominated procurement representative may disqualify the supplier.

5.3.4. Gifts and benefits

No Councillor, employee or third party agents shall seek or accept any immediate or future reward or benefit in return for a decision by Council to award a Council contract.

Any gift or benefit offered will be managed in accordance with Council's internal policies and processes.

5.3.5. Accountability

All parties associated with a procurement activity on Council's behalf are responsible for ensuring they are aware of their obligations under relevant codes of conduct, application of the law and their delegations of authority. This includes third parties engaged to procure goods, services or works on Council's behalf.

Council will publish basic details for all relevant procurement outcomes as required by law, and in the public interest on a monthly basis.

5.4. Governance, risk and controls

Council has established a procurement management responsibility structure and a system of procurement that ensures accountability, traceability and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by Council.

Council's criteria for procurement governance, risk and controls including the complaints management process are outlined in the Governance, Risk and Controls Guideline which forms part of the suite of procurement framework documents supporting the Policy.

5.4.1. Risk management

All procurement is undertaken in accordance with acceptable risk parameters shaped by Council's risk appetite and the associated enterprise wide risk management framework.

Appropriate risk management principles must be applied throughout all stages of the procurement and contracting lifecycle. These principles are designed to protect and enhance Council's capability to prepare for, respond to and recover from risks and issues associated with work health and safety, personal injury, property damage, reputation damage, financial exposure, business interruption, climate change, intellectual property disputes and interruption to the efficient supply of goods, services and works.

5.4.2. Internal controls

Council's framework of internal controls over procurement processes, including regular internal audit review and audit by Council Strategic Procurement and Contracts Team, ensures:

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

5.4.3. Procurement delegations

The authority to approve the establishment of contracts / agreements and approve expenditure must be in accordance with Council's Instrument of Delegations and the Procurement Authority Limits.

The Delegated Committees listed below have the following delegated powers:

Urban Planning Delegated Committee

To exercise Council's powers, discretions and authorities to perform Council's functions under the [Planning and Environment Act 1987](#) (Vic) ('PE Act') and the [Building Act 1993](#) (Vic) ('BA Act') having regard to relevant policies and guidelines of the Council:

- to enter into contracts and to incur expenditure to a maximum monetary limit of \$20 million (excluding GST).
- to do all things necessary or convenient to be done for or in connection with the performance of those functions, duties and powers.

Exceptions, conditions and limitations

The members of the Delegate Committee are not authorised to:

- enter into contracts, or incur expenditure, for an amount which exceeds \$20 million (excluding GST).
- exercise the powers which, under s11(2) of the Act or s188 of the PE Act, cannot be delegated to the Committee.

Services Delegated Committee

To exercise Council's functions and powers, perform Council's duties, determine any issue and take any action arising out of or connected with any duty imposed, or function or power conferred on Council, by or under any act other than the PE Act and the BA Act:

- to enter into contracts, and to incur expenditure to a maximum monetary limit of \$20 million (excluding GST).
- to do all things necessary or convenient to be done for or in connection with the performance of those functions, duties and powers.

Exceptions, conditions and limitations

The members of the Delegate Committee are not authorised to:

- enter into contracts, or incur expenditure, for an amount which exceeds \$20 million (excluding GST).
- exercise the powers which, under s 11(2) of the Act, cannot be delegated.

5.4.4. Procurement roles and responsibilities

Council officers must be committed to adhering to this Policy.

Procurement activity within Council will be driven by the relevant business unit with the Procurement Team providing oversight and guidance.

Directors are accountable to ensure that annual business plans, where it's known a procurement activity will be required, are a true reflection of the procurement activities expected to occur within the financial year.

Procurement Team officers will be involved in the initial stages of business procurement forward planning to ensure there is agreement on the scope of the procurement activities required, the timing of the required procurement activities and the approach.

Any reports seeking Council approval for procurement or contracting activities must be presented to Council by the relevant Director. If required, the Procurement Team is able to review the report prior.

Further detail in relation to the roles and responsibilities of Council officers for procurement activities is set out in the Governance, Risk and Controls Guideline which forms part of the suite of procurement framework documents supporting the Policy.

5.5. Social and environmental sustainability

Council recognises its Corporate Social Responsibility and is committed to advancing shared value by deriving economic, environmental, social ethical, local and environmental outcomes through its procurement. Where it is possible, Council will purchase from for-social benefit and environmentally sustainable entities, and indirectly by including social and environmental clauses in its contracts with private sector providers and screening supply chains for ethical considerations.

To achieve this, Council's procurement strategies will:

- apply a local preference test;
- promote the attraction of social enterprises;
- promote the attraction of Aboriginal and Torres Strait Islander people enterprises;
- foster innovation in sustainable products and services;
- promote and apply an environmental sustainability test;
- ensure that fair and ethical sourcing practices by officers and suppliers are applied including legislative obligations to employees; and
- ensure the prevention, detection and removal of modern slavery from Council's supply chain through compliance with the [Modern Slavery Act 2018](#) (Cth).

Council's criteria for sustainable procurement are outlined in the Social and Sustainable Procurement Guideline which forms part of the suite of procurement framework documents supporting the Policy.

6. Processes and procedures

Council's procurement processes and procedures are governed by the Policy, the supporting guidelines and other accompanying internal procurement and contracting manuals making up the Council's overarching procurement framework.

6.1. Sourcing strategies

This Policy applies to all procurements regardless of value, risk or process. Sourcing strategy options include:

- a) direct purchase (using corporate credit card; purchase card) or utilising existing supplier contracts;
- b) approved purchasing schemes or use of panel arrangements (including panels established by councils in the eastern region and Victoria);
- c) select tender;
- d) open or public tender;
- e) collaborative or joint procurement (through aggregators or with one or more other councils);
- f) Victorian State Government contracts (e.g. State Purchase Contracts, Whole-of-Government contracts or Construction Supplier Register (CSR)); and
- g) procurement under an exemption outlined in this Policy.

Council may, at its discretion and based on the complexity and cost of the project, conduct a one stage or multi-stage procurement process.

6.2. Request for information

Where Council is uncertain as to the nature and specification of goods and services it requires, Council may undertake a Request for Information (RFI) process. An RFI may be undertaken for reasons which include establishing:

- a) advice from the market is required regarding how best to address a particular need;
- b) available technologies, products or services in the marketplace that meet Council needs;
- c) whether proposed terms and conditions or deliverable expectations are acceptable in the marketplace;
- d) whether proposed budgets are adequate to meet non-standard procurement needs.

Council should use an RFI **rather than a request for tender or EOI** in order to improve its understanding of its own needs, availability of appropriate goods and services and likely costs.

6.3. Expressions of interest

Expressions of Interest (EOI) must give public notice. They are primarily used where the amount is greater than the threshold set by Council, and:

- there are likely to be many tenderers;
- tendering will be costly to Council and tenderers;
- the procurement is complex; and
- there is uncertainty as to the willingness and/or interest of vendors to supply.

An EOI process is the first stage of a two-stage process that is followed by an open or closed tender process. There should be no intent to engage suppliers as a direct result of an EOI process.

6.4. Assessment of Quotes/Tenders/EOIs/Offer

For all procurement activities, selection criteria will be used to assess the suitability of a potential respondent. The selection criteria will be developed before approaching the market and will be included in the procurement documentation to be released to perspective vendors.

Council's criteria for evaluating responses to Council procurement processes are outlined in the Evaluation and Contract Negotiation Guideline which forms part of the suite of procurement framework documents supporting the Policy.

The evaluation panel composition must follow the Evaluation and Contract Negotiation Guideline.

6.4.1. Financial viability assessment

The financial viability assessment of potential suppliers must form part of the due diligence undertaken by Council during procurement processes. These assessments are used to check the immediate and ongoing capacity of suppliers to complete works or supply goods and services.

The key objective of the financial appraisal in the procurement process is to analyse a potential supplier(s) financial position and determine the level of risk that the supplier may pose to Council – having regard to the contract requirement and value, risk, criticality, and the nature of the market.

Assessments may also be undertaken during the term of a contract to identify and assess any changes in the financial position and risks associated with the potential insolvency of the supplier.

6.5. Contract Awards

Council is committed to being transparent with contract awards. Where a procurement contract has been awarded with a value greater than \$500,000 excluding GST the following information will be made available on the Council website within one month of contract execution; contract number, contract title, date awarded, name of successful vendor, contract term and contract value.

6.6. Tender Debrief

After the execution of the contract, any unsuccessful vendors may request a de-briefing session. This session may provide the supplier with enough information to assist them to improve responses and/or performance in the future.

6.7. Exemptions

The conditions under which the Council may purchase goods, services or works without inviting a public tender or expression of interest are:

- in urgent or extraordinary circumstances, including but not limited to:
 - sudden and significant negative events that activate the Municipal Emergency Management Plan or associated sub plans (e.g. Crisis Management Plan);
 - sudden and unforeseeable changes in market conditions that impact Council's delivery of services to the municipal community; and
 - sudden and unforeseeable termination of an existing contractor;
- where Council seeks to enter into a contract under, or in reliance on:
 - State Government contracts, including but not limited to:
 - State Purchase Contracts and Whole of Victorian Government Contracts, being the standing offer agreements for State Government common use goods and services, which are established when value for money can best be achieved through aggregating demand;
 - the Construction Suppliers Register, being a pre-qualification scheme for building and construction industry consultants and contractors, provided that tenders are sought from a minimum of three (3) pre-qualified contractors registered with the Construction Suppliers Register; and
 - the Marketing Services Register, being a pre-qualification scheme for a range of creative services within advertising and communication, provided that tenders are sought from a minimum of three (3) pre-qualified contractors registered with the Marketing Services Register;
 - a procurement process conducted by the Municipal Association of Victoria on behalf of a group of councils; or
 - a procurement process conducted by Procurement Australia to which Victorian councils have access;
- with the Municipal Association of Victoria (MAV) for Liability Mutual Insurance (LMI) services;
- where Council seeks to enter into short-term arrangements of no longer than a period of six months if Council is or is about to go out to market for the same or similar goods, services or works;
- for the procurement of legal services;
- where a contract is due to expire and:
 - the value of the approved original contract (contract value plus value of extension options) either:
 - did not exceed the thresholds; or
 - exceeded the thresholds but was entered into after a public tender, EOI or external panel arrangement process;

and
 - there is an ongoing need for the goods, services or works provided under the original contract

- the goods, services or works provided under the original contract cannot conveniently or economically be provided or undertaken by anyone in the market other than the original contractor; and
- the proposed new contract with the original contractor has been assessed to ensure that it continues to represent best value for money;
- where inquiries into the relevant market have revealed that there is only one supplier or provider, or one viable supplier or provider, of the goods, services or works to be procured; and
- where the Chief Executive Officer is satisfied, on reasonable grounds, that not going to market will produce a better, or better value, outcome for Council.

The process for pre-approval for an exemption from seeking the minimum number of quotes must have the express documented approval of the relevant Director. Any pre-approval does not excuse the procurement activity from due process and financial approval.

Exemption categories are defined in the Exemption Guideline which forms part of the suite of procurement framework documents supporting the Policy.

6.8. Grant funding

Where Council expenditure is funded from State or Federal Government grant monies, the requirement to comply with Section 108 of the Act and this Policy remains unless there are grant conditions which provide alternative arrangements.

Where Council provides grant funding to local organisations, the requirement to comply with Section 108 of the Act and this Policy does not apply.

6.9. Variations

All contract variations must be assessed to determine whether they are properly characterised as variations, or whether they are in effect a new contract.

Where a variation to a contract occurs, the procurement delegation is defined by the value of the variation, not by the value of the whole contract.

An officer with a sub-delegation from the CEO may vary a contract to the relevant limit in the procurement delegations. Any variation amount that exceeds an officer's procurement delegation limit must be escalated to an employee with the appropriate financial delegation.

Prior approval is required for all variations including ensuring that approved budget is available for all variations.

6.10. Cumulative spend

A procurement must not be split to circumvent the procurement thresholds set out in Schedule 1 of this Policy.

However, it is recognised that certain goods, services or works of the same or a similar kind will be purchased from the same provider under separate arrangements on a regular basis. This will give rise to cumulative spend.

In those circumstances, the procurement thresholds set out in Schedule 1 of this Policy must be considered on the basis of a rolling two-year average spend on the goods, services or works purchased from the same supplier.

This cumulative spend requirement does not apply where different departments/teams across Council procure goods, services or works from the same vendor pursuant to separate procurement processes. That is, this section 6.8 applies only to cumulative spend over time with an individual supplier by one area within Council.

6.11. Collaborative procurement

Council staff must consider any opportunities for collaborative procurement in relation to a procurement process undertaken by Council. Where practical, Council will collaborate with other departments across the organisation, other Councils and public bodies in order to take advantage of economies of scale, reduce risk, maximise social or environmental outcomes and deliver community benefits for all participating councils.

Any Council report that recommends entering into a procurement arrangement must set out information relating to opportunities for collaborative procurement, including:

- the nature of those opportunities, if any, and the councils or public bodies with which they are available; and
- why Council did, or did not, pursue the identified opportunities for collaboration in relation that procurement process.

Collaborative procurement will be achieved through:

- aligning procurement categories and timing (joint procurement);
- using supplier panel arrangements, including supplier panels in the eastern region (that include the capacity to provide services outside of the contracting council area under the same Terms and Conditions); and

Furthermore, Council may collaborate with other Councils to procure goods or services, or utilise Municipal Association of Victoria Procurement ('MAV'), State Government, Federal Government and Procurement Australia contracts for the procurement of goods, services or works established through a public tender process where it provides an advantageous, VFM outcome for the Council.

6.12. Commercial information

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

6.13. Dispute resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating and leading to legal action.

6.14. Managing and monitoring supply arrangements, KPIs and performance

Council and/or our agents actively manage supplier relationships and monitor performance before, during and after establishing procurement arrangements and contracts. The level of monitoring will be appropriate to the relative risk Council is exposed to.

To allow for early intervention and, if necessary, optimise performance, regular monitoring of supplier performance will be carried out to assess whether it meets critical requirements such as timeliness and conforming to specifications/agreed requirements.

7. Procurement thresholds

The appropriate procurement method for any purchasing/project is determined by the nature, value and the risk of the purchase. A tender process will be used for high value items and below that, those items considered to be of high risk. The level of risk is determined on a case by case basis by Council.

EOI and / or tender processes are not required where procurement is undertaken through a pre-established panel arrangement; i.e. MAV Procurement, State Government and Procurement Australia contracts for the procurement of goods, services or works established through a public tender process where it provides an advantageous, VFM outcome for the Council.

Council will invite tenders, proposals, quotes and EOIs from the supply market for goods, services, building and construction works in accordance within the thresholds listed in Schedule 1 of this Policy to ensure compliance with the Act. These thresholds will only be varied with approval from Council.

The thresholds must represent the estimated value of the whole of term of the contract i.e. the initial term plus any options to extend the initial contract term exclusive of GST.

The options for a procurement process compliant with the public tendering requirements contained in the Act include:

- a) Council running its own publicly advertised tender process, a variety of advertising mediums may be chosen from including; national newspapers, local newspapers and web based forums.
- b) Council participating in collaborative tender processes for similar services in conjunction with other councils including; councils in local procurement networks.
- c) Council appointing an external agent to run a tender process on its behalf. Organisations such as Procurement Australia and MAV Procurement are active in this area.

- d) Council accessing Victorian State Government contracts (e.g. State Purchase Contracts, Whole-of-Government contracts) or Federal Government contracts that have been made available to Local Government and which Local Government can access.
- e) Council accessing contracts for panels of suppliers where those panels have been put in place through a compliant tender process. For example, these panel contracts may have been put in place through a Council-run tender process, a tender process run for Council by an external agent or be a Victorian State Government panel or Federal Government arrangement made available to Local Government.
- f) Seeking an exemption as outlined in section 6.6 of this Policy.

8. Evaluation and award

Each RFT issued by Council will be evaluated in accordance with the Conditions of Tendering. Where this evaluation is undertaken by a Tender Evaluation Panel, a recommendation will be made either to:

- an employee with the necessary financial delegation; or
- Council,

for a decision on the award of the contract.

It is acknowledged that, while the Tender Evaluation Panel makes a recommendation based on its evaluation, it is not the final decision maker. The final decision maker retains discretion and may form a different view about the scores to be attributed to the tenderers under the evaluation criteria. Where this happens, the final decision maker may depart from the recommendation of the Tender Evaluation Panel.

The recommendation of the Tender Evaluation Panel should not be departed from without a thorough assessment of the tender responses against the criteria applied by the Tender Evaluation Panel and the Conditions of Tendering.

9. Access to information

In almost all instances, information provided by prospective providers of goods, services and works in the circumstances required by this Policy will contain sensitive commercial information.

To ensure the integrity of the tender process is not compromised, the Tender Evaluation Panel will take all reasonable steps to restrict access to individual tenderer proposals until such time as a report is presented to the relevant employee with the necessary financial delegation or Council. This is intended to ensure that all who are involved in the final decision are fully and equally informed. It is acknowledged that it may be necessary to keep information confidential, and to consider information in Council meetings that are closed to the public.

Employees and Councillors will observe their confidentiality obligations under the Act and will not misuse any information provided in a Council report or otherwise in connection with a tender.

Schedule 1 – Procurement Thresholds

Guidelines will be determined from time to time for minimum spend thresholds associated with Council's procurement activities. These will be decided by analysing the historical size and complexity of the procurement activity and of proposed procurement activities.

Any pre-approval not to seek the required number of quotes must be sought from the Director and must be through the pre-approval template. Any pre-approval does not excuse the procurement activity from due process and financial approval.

Council's thresholds are **exclusive GST** for Goods and Services procurement activities as follows:

Procurement Threshold (exclusive GST)	Procurement Methodology (RFT/RFQ/Simple RFQ/Direct Purchase/Single Quote)
<\$3,000	Direct purchase from local supplier without a PO (as specified) One (1) verbal or written quote <ul style="list-style-type: none"> • PO optional • Directorate Credit Card optional
\$3,001 - \$10,000	One (1) written quote (from local supplier where possible) <ul style="list-style-type: none"> • PO required unless exempt
\$10,001 - \$75,000	Seek three (3) written quotes OR Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of three (3) written quotes <ul style="list-style-type: none"> • >\$25,000 contract number required • >\$25,000 Council's eTendering portal • Purchase Order \$10,000 - \$25,000 • Simple Contract >\$25,001
\$75,001 - \$250,000	Public process - RFT, RFI, EOI OR Seek four (4) written quotes OR Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of four (4) written quotes <ul style="list-style-type: none"> • Contract number required • Council's eTendering portal • Simple Evaluation Plan that includes a probity escalation process • Simple Contract

Procurement Threshold (exclusive GST)	Procurement Methodology (RFT/RFQ/Simple RFQ/Direct Purchase/Single Quote)
\$250,001 - \$500,000	<p>Public process - RFT, RFI, EOI</p> <p>OR</p> <p>Seek six (6) written quotes</p> <p>OR</p> <p>Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of six (6) written quotes</p> <ul style="list-style-type: none"> • Contract number required • Council's eTendering portal • Probity Plan, Evaluation Plan, Procurement Plan (if public process), relevant contract • If Public Process, consider engaging Probity Advisor and or Probity Auditor based on the requirements under section 5.3.1 of this policy
Over \$500,000	<p>Public Process - RFT, RFI, EOI</p> <p>OR</p> <p>Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of six (6) written quotes</p> <ul style="list-style-type: none"> • Contract number required • Council's eTendering portal • Probity Plan, Evaluation Plan, Procurement Plan (if public process), relevant contract • Refer to section 5.3.1 of this policy to determine if the engagement of a Probity Advisor and or Probity Auditor is required

Council's thresholds are **exclusive GST** for Works procurement activities as follows:

Procurement Threshold (exclusive GST)	Procurement Methodology (RFT/RFQ/Simple RFQ/Direct Purchase/Single Quote)
<\$3,000	<p>Direct purchase from local supplier without a PO (as specified)</p> <p>One (1) verbal or written quote</p> <ul style="list-style-type: none"> • PO optional • Directorate Credit Card optional
\$3,001 - \$15,000	<p>Obtain one (1) written quote (from local supplier where possible)</p> <ul style="list-style-type: none"> • PO required unless exempt

Procurement Threshold (exclusive GST)	Procurement Methodology (RFT/RFQ/Simple RFQ/Direct Purchase/Single Quote)
\$15,001 - \$35,000	<p>Seek two (2) written quotes (from local suppliers where possible)</p> <ul style="list-style-type: none"> Contract number required >\$25,000 use of Council's eTendering portal Simple Evaluation Plan Purchase Order \$15,001 - \$25,000 Simple Contract >\$25,001
\$35,001 - \$200,000	<p>Seek three (3) written quotes (from local suppliers where possible)</p> <p>OR</p> <p>Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of three (3) written quotes</p> <ul style="list-style-type: none"> Contract number required Council's eTendering portal Simple Contract or appropriate Australian Standard contract Simple Evaluation Plan that includes a probity escalation process
\$200,001 - \$500,000	<p>Public process - RFT, RFI, EOI/RFT</p> <p>OR</p> <p>Seek minimum five (5) written quotes</p> <p>OR</p> <p>Pre-established external Panel, must follow requirements established for the particular panel; if no requirements, seek a minimum of five (5) written quotes</p> <ul style="list-style-type: none"> Contract number required Council's eTendering portal Simple Procurement Plan Simple Evaluation Plan that includes a probity escalation process
Over \$500,000	<p>Public Process - RFT, RFI, EOI/RFT</p> <p>OR</p> <p>Pre-established external Panel, must follow requirements established for the particular panel; if no requirements seek a minimum of six (6) written quotes</p> <ul style="list-style-type: none"> Contract number required Council's eTendering portal Evaluation Plan that includes a Probity escalation process and Procurement Plan for Public Processes Probity escalation process when using panels to be included in Evaluation Plan Refer to section 5.3.1 of this policy to determine if the engagement of a Probity Advisor and or Probity Auditor is required

Schedule 2 – Definitions

Term	Definition
Aggregated Purchasing Contract	A contract established by the Council, government or a nominated agent for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
Benefits	<p>Benefits can take many forms, and are often non-tangible (i.e. not a physical item). Benefits include, but are not limited to:</p> <ul style="list-style-type: none"> • access to events or clubs • preferential treatment (e.g. priority service, access to benefits or services not usually available) • upgrades • discounts • a new job or promotion • access to confidential information • offers of secondary employment or contracts.
Complex Procurement	<p>Procurement complexity refers to the level of difficulty involved in procuring a good or service. An assessment of complexity considers a broad range of factors associated with the procurement activity including:</p> <ul style="list-style-type: none"> • difficulty in product or service specification • procurement of an innovative or bespoke product or service • risk • total cost of ownership • market dynamics.
Emergency	A sudden or unexpected event requiring immediate action including the occurrence of a natural disaster, flooding or fire event at a Council property; the unforeseen cessation of trading of a core service provider; any other situation which is liable to constitute a risk to life or property.
Environmental Procurement	<p>Environmental procurement looks beyond the up-front cost to making purchasing decisions based on the entire life cycle of the goods and services including end of use disposal. This includes products that:</p> <ul style="list-style-type: none"> • contain recycled material; • are water and energy efficient; • contain no single-use plastic; • protect our biodiversity; and • can be re-used, re-purposed or recycled at the end of their life. <p>It also includes services relating to sustainable building design and construction and the running of events (Department of Energy and Environment).</p>

Term	Definition
Gifts	<p>Gifts can take many forms, such as:</p> <ul style="list-style-type: none"> • free or heavily discounted items • tickets or passes to events, shows etc. • enduring items, such as works of art • consumables, such as food or stationary • less tangible benefits such as hospitality or services, memberships etc. • hospitality that exceeds common courtesy. <p>A gift may be:</p> <ul style="list-style-type: none"> • offered or given to an individual employee or the organisation • offered or given to a family member • purchased, home-made or home-grown • of negligible, nominal, or significant value.
Local Supplier	A commercial business with an operational premise that is physically located within the municipal borders of the 11 South East Regional Councils, perform the majority of their manufacturing in this region.
Material Breach	Any breach of this policy that may also represent a breach of legislation such as procurement thresholds, fraud or corruption, and occupational health and safety.
Probity	<p>Probity is the evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness and honesty in a particular process.</p> <p>Probity is a defensible process which is able to withstand internal and external scrutiny, which achieves both accountability and transparency, providing respondents with fair and equitable treatment.</p>
Probity Advisor	<p>A probity advisor provides an independent opinion on the integrity of a procurement activity to ensure that tenders are conducted fairly and properly.</p> <p>Probity advisors can assist in the development of probity plans, provide advice on indirect or direct conflict of interests, and address and assist with any unexpected probity issues that may arise throughout the procurement process.</p> <p>A probity advisor cannot play a dual role as the probity advisor and probity auditor for the same procurement activity.</p>
Probity Auditor	A probity auditor is independent from the Council and probity advisor who provides an independent scrutiny audit either at different times throughout the life of the procurement activity or prior to seeking approval to engage the preferred vendor/s to ensure probity requirements have been adhered to.

Term	Definition
Procurement	<p>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 or the end of a service contract. It also includes the organisational and governance frameworks that underpin the procurement function.</p> <p>Any procurement activity is exclusive GST; meaning it is the actual cost to the Council.</p>
Reasonably Practicable	<p>That which is, or was at a particular time, reasonably able to be done in relation to ensuring health and safety, taking into account and weighing up all relevant matters.</p>
Sensitive Procurement	<p>Sensitive procurement refers to procurement activities involving issues such as:</p> <ul style="list-style-type: none"> • Organisational sensitivity, including the: <ul style="list-style-type: none"> ○ Procurement of a sensitive product or service i.e. cyber security. ○ Potential exposure of sensitive information of either or both of the principal or supplier. • Political sensitivity. • Potential for controversy regarding the procurement process, selecting the successful supplier or awarding the contract.
Social Procurement	<p>Social Procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured by purchased.</p> <p>Procurement may be grouped into two broad approaches:</p> <ul style="list-style-type: none"> • Direct approach - Purchasing goods, services or construction from a social benefit supplier. • Indirect approach - Purchasing goods, services or construction from a mainstream supplier (that is, any supplier that is not a social benefit supplier) and uses invitations to supply and clauses in contracts to deliver social and sustainable outcomes. (Sustainability Victoria)
Total Contract Sum	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract • anticipated contingency allowances or variations • all other known, anticipated and reasonably foreseeable costs.

Term	Definition
Value for Money (VFM)	<p>VFM in procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors that benefit our community including:</p> <ul style="list-style-type: none"> • contribution to the advancement of Council's priorities • non-cost factors such as fitness for purpose, quality, service and support • 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.