

COUNCIL POLICY



TITLE:	PROCUREMENT POLICY
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DEPARTMENT:	CORPORATE
UNIT:	CONTRACTS AND PROCUREMENT
RESPONSIBLE OFFICER:	Director Corporate Services

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1. References

Local Government Act 2020 (Vic)
Gender Equality Act 2020 (Vic)
Protected Disclosures Act 2012 (Vic)
Victorian Industry Participation Policy Act 2003 (Vic)
Charter of Human Rights and Responsibilities Act 2006 (Vic)
Privacy and Data Protection Act 2014 (Vic)
Occupational Health and Safety Act 2004 (Vic)
Local Government (General) Regulations 2015 (Vic)
Competition and Consumer Act 2010
Instruments of Delegation by the CEO to Officers authorised to procure goods, services and supplies on behalf of Council
Glenelg Shire Council, Records Management Policy OPO-CORPS-RECM-001
Glenelg Shire Council, Discipline Procedure OPR-CEO-OD-014
Glenelg Shire Council, Staff and Councillor Code of Conduct OPO-CEO-HR-003
Glenelg Shire Council, Councillor Code of Conduct CPO-CEO-CS-008
Glenelg Shire Council, Environmental Sustainability Policy CPO-PLECDV-EV-001
Glenelg Shire Council, Gifts, Benefits and Hospitality Policy and Procedure CPO-CEO-CS-007
Glenelg Shire Council, Information Technology Equipment and Software Procurement Policy OPO-GF-IT-002
Department of Treasury and Finance, Competitive Neutrality Policy 2012
Victorian Local Government Best Practice Procurement Guidelines 2013
Local Jobs First Policy (LJFP) Guidelines
MAV Model Procurement Policy 2021
Australian Standards Code of Tendering AS 4120-1994
ORGANISATIONAL POLICY Current Credit Card Policy - OPO-CORPS-FI-007
Petty Cash Policy CPO-CORPD-FI-004b
OHS CONTRACTOR MANAGEMENT PROCEDURE –OPR-CORPS-RM-012
Public Interest Disclosure (Whistleblower) Procedures (DocSetID: 2580165)

2. Purpose

Council is required under section 108 of the *Local Government Act 2020* to prepare, adopt and comply with a Procurement Policy. In accordance with Act, the Procurement Policy sets out the key principles and process applied to the purchases of Goods, Services and Works by Council.

3. Scope

This Policy applies to all procurement activities undertaken by Council and is binding upon Councillors, Council Officers, Committees, temporary/casual employees, contractors and consultants whilst engaged by Council and when involved with Council procurement.

3.1 Charter of Human Rights

Council will ensure that all of its procurement operations are fully consistent with prescribed rights and responsibilities and that they respect the 20 fundamental

rights within the Victorian Charter of Human Rights and Responsibilities Act 2006.

3.2 Treatment of GST

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

4. Council Policy

4.1 Best Practice Principles

Council is committed to effective procurement through adopting best practice principles, policies and procedures to support Council objectives regarding sustainable and socially responsible procurement, supporting local economy and obtaining Value for Money, which in turn, will lead to a better outcome for Council in the provision of services for the community.

4.2 Conduct of Councillors and Council Officers

Councillors and Council Officers must at all times conduct themselves in ways that are and are seen to be, ethical with the highest integrity and will:

- (a) treat potential and existing suppliers with equality and fairness;
- (b) not seek or receive personal gain;
- (c) maintain confidentiality of 'Commercial in Confidence' information such as contract prices and other sensitive information;
- (d) present the highest standards of professionalism and probity;
- (e) deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- (f) provide all suppliers and tenderers with the same information and equal opportunity;
- (g) comply with all legal and Policy requirements; and
- (h) be able to account for all decisions and provide feedback on them.

4.3 Conflict of Interest

Councillors, Council employees and independent tender panel members must comply with the section 130(2) of the Act requiring the disclosure of conflicts of interest.

A person involved in a procurement at any stage who has a conflict of interest may compromise the integrity of the procurement.

As such, Glenelg Shire Council requires officers and decision makers involved in a procurement to declare they have no known conflict of interest or likely conflict of interest at the commencement of their involvement in that procurement. If at any stage a potential conflict of interest arises, officers and decision makers involved in the procurement must notify their direct manager or Officer in Charge of the procurement so that an appropriate resolution may be minuted for the procurement file.

A 'No Known Conflict of Interest Declaration Form' is to be completed by prior to any involvement in a given procurement.

A Councillor, Council employee or independent panel member must excuse themselves from evaluation of the tender if there is a direct or perceived conflict under the Act.

There are two steps in the process of identifying a conflict of interest.

First, there must be a relevant General or Material interest. Often this is a financial interest, but it can also be another sort of interest, such as a special advantage to a family member or a responsibility to another organisation.

Second, the interest must intersect or overlap with a person's official duty. This may involve a decision to be made by a council officer who has been delegated a council power or one who is advising council, including preparation of a report on tender evaluation.

Should conflict be only a small part of the tender (e.g. a category of a panel contract) the movements and exclusion of the officer will be documented and managed by the Evaluation Panel Chairperson.

Under s130(2b), a relevant person who has a conflict of interest in respect of a matter must excuse themselves from the decision making process in relation to that matter.

A 'Conflict of Interest Declaration Form' is to be completed prior to any evaluation by all evaluation panel members.

4.4 Probity and Transparency

Councillors and members of staff (and all persons engaged in procurement on council's behalf) must be conducted in a fair and open manner observing the highest standards of honesty, and demonstrating the highest levels of integrity consistent with the public interest

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

- Councillors must also comply with the Councillor Code of Conduct
- Councillors must not improperly direct or improperly influence a member of council staff in the exercise of any power in the performance of any duty or function
- Members of staff must also comply with the Code of Conduct for Council Staff
- All staff engaged in the evaluation of quotations or tenders evaluation must adhere to this policy and complete and lodge a Conflict of Interest Declaration and a Deed of Confidentiality
- All councillors and staff must adhere to council's gifts and hospitality policies in matters of procurement.

- Council Staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes.
- Late tender: It is council policy not to accept late unless there are exceptional circumstances causing the tender to be lodged after the closing date.

Probity plan and probity audits: A probity plan should be prepared and a probity advisor or auditor may be appointed by the relevant council director to any tender evaluation panel where the value of the subject tender is assessed to reach \$10 million in value.

4.5 Disclosure of Information

Following receipt of a tender submission and award of any tender or quotation, unsuccessful tenderers will be notified of the name only of the successful tenderer. No other information regarding the successful tender will be provided due to commercial in confidence obligations.

For a Public Tender Process that requires Council approval, a report will be presented at a meeting of Council for award. When awarded, information from the successful tenderer may become publicly available.

Additional disclosure may occur where applicable, where required for legal purposes, under the Freedom of Information Act 1982 (Cth), Privacy and Data Protection Act 2014 (Vic) or as required by the Victorian Auditor-General's Office or the Victorian Ombudsman. Requests for this type of information are to be directed through the nominated Council Officer.

4.6 Value for Money

Value for Money is the achievement of a desired procurement outcome at the best possible price, not necessarily the lowest price, based on a set list of financial and non-financial criteria relevant to the procurement. Value for Money could be achieved by:

- developing, implementing and managing a procurement framework that supports the coordination and streamlining of activities throughout the lifecycle;
- development, implementation and management of the local procurement strategy;
- effective use of competition;
- using aggregated contracts whenever possible;
- identifying and rectifying inefficiencies in procurement processes;
- developing cost efficient tender processes including appropriate use of e-solutions; and
- working with suppliers to create relationships that are professional and productive.

4.7 Fair and Honest Dealing

Council is committed to providing equal opportunity for all businesses to bid for work through fair, honest, open and transparent market processes. Council Officers will ensure that all prospective suppliers are treated fairly in an open and transparent manner and have access to the same information.

4.8 Accountability

Accountability in procurement means being able to explain and provide evidence on the process followed. 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 documented, fair and reasonable. 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, relevant Council policies and procedures.

4.9 Sustainable, Social and Collaborative Procurement

Council will consider benefits and value for money based on whole of life costs, as well as social and environmental impacts of its procurement processes, in order to achieve the best outcomes for the community having regard to the long-term and cumulative effects of its decisions. Council will also seek to use Collaborative Procurement Arrangements with third parties when to take advantage of economies of scale.

Further details regarding sustainable, social and collaborative procurement is within **Appendix B**.

4.10 Ethical Behaviour

Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency.

At all times, Councillors and Council staff must act in accordance with relevant policies, codes of conduct and guidelines regarding gifts and hospitality and conflicts of interest.

4.11 Continuous Improvement

Council recognises that in order to achieve sustainable value, a strategic assessment of procurement activities is to be undertaken.

This strategic assessment will include an ongoing Council effort to improve services and processes to provide excellence and added value for Council's community and staff.

Continuous improvement initiatives will be a consideration in Council's procurement practices and decisions where practicable and appropriate.

Council will communicate to current and potential suppliers in the most appropriate manner as specific circumstances arise to appraise them of any continuous improvement initiatives identified or required.

5. Effective Legislative and Policy compliance and Control

5.1 Financial delegations

Section 47 of the Act defines the process for Council to delegate its powers, duties and functions to a member of its staff. Council has by an appropriate Instrument of Delegation, delegated powers and responsibilities to the Chief Executive Officer.

In turn the Chief Executive Officer has by an appropriate Instrument of Delegation, delegated powers and responsibilities to Officers as appropriate to perform their role.

Council maintains a documented system of procurement delegations, which controls employee authorisation limits in line with the below authorisation limit table. Officers must be aware of their role and financial responsibilities and must ensure that all purchases they make are within their delegated authority.

5.2 Authorisation Limits

Authorisation limits for requisition and purchase order approvals are set by the CEO under the CEO's power of delegation. Procurement authorisation limits for the CEO are set by Council.

Officers responsible for procurement are prohibited from splitting invoices for the purpose of avoiding established procurement delegations.

Any Council employee may requisition works, goods or services. However, only employees with delegated authority, as listed below, can authorise the associated requisition or purchase order:

Position	Level of Authority
CEO (or delegate)	up to \$500,000
Directors (or delegate)	up to \$200,000
Managers	up to \$100,000
Coordinators, Supervisors and Team/Unit Leaders	up to \$50,000
Responsible Budget Officer	up to \$10,000
Executive Assistants	up to \$10,000
Other Officer	up to \$1,000

If an officer holds a credit card with an approved credit limit higher than the authorised officers limit then this takes precedent.

5.3 Market Engagement Methods

A public tender process must be used for all procurements valued at \$200,000 (inc GST) and above.

For procurements valued under \$200,000 (inc GST), the following thresholds below apply:

Value	Market Engagement	
Up to \$5,000	1 Verbal Quote	Quote to be diarised
\$5,001 to \$50,000	2 Written Quotes	Quotes must be registered into ECM
\$50,001 to \$199,999	3 Written Quotes	
\$200,000 +	Public Tender	Evaluation report to CEO (contracts up to \$500,000) Council Report (above \$500,001)

Employees must not generate multiple purchase orders for the one supplier to circumvent the above procurement limit processes.

5.4 Exemptions from Market Engagement Methods

An exemption to the Market Engagement Methods and procedures may be requested under the following circumstances:

- in matters of Emergency including public health, security, or safety or because of an unforeseen event or occurrence;
- installations where a change in supplier would necessitate the procurement of Goods and Services that do not meet the requirements for interoperability or interchangeability;
- an absence of competition for technical reasons;
- the Goods, Services or Works are required as part of a grant, funding agreement, lease or similar arrangement specifically stating how the Goods, Service or Works are to be provided or undertaken;
- where the acquisition is of a cultural or artistic nature i.e. a live show or art piece; and
- where the procurement is on Council’s exemption list (refer to Appendix C).

An exemption cannot be sought by the CEO if the value of the procurement is over \$200,000. In this case, an exemption can be sought from Council.

Exemptions regarding application of the mandatory weightings as stated in **Appendix B** can only be approved by the CEO. A ‘Procurement Policy Exemption Form’ must be completed.

5.5 Aggregate Spend

There is no specific length of time applicable to a contract for the purpose of applying thresholds, where significant amounts are spent in aggregate either on one supplier or for one service over time.

The test(s) to be applied in determining the financial value of a contract are;

- The value of a contract is the aggregate value of the contract over the term of the contract.
- If the term of the contract is not clear, a default term of 2 years is to be used for cumulative expenditure.
- Where the aggregate value of similar suppliers across Council exceeds the relevant threshold over a 2 year period.
- Where the aggregate value of the same supplier exceeds the relevant threshold over a 2 year period.
- Reviews of the aggregate spend of all Council suppliers will be conducted quarterly and where aggregate expenditure with suppliers not under contract exceeds the above threshold, formal tenders will be called for the supply of the relevant categories of goods services or works.

5.6 Panel Arrangements

An Approved Supplier is a contractor/company that has been appointed to a panel contract, after a formal tender process has been completed.

When accessing established panel arrangements quotations should be sought consistent with the guidelines set out in Clause 5.3 to ensure that any procurement through panels demonstrates value for money and competitive process.

An exception is that an Approved Supplier may be appointed directly for works up to \$15,000 where a schedule of rates has been provided under the terms of the panel. For procurements greater than \$15,000 the quotation requirement outlined in 5.3 should be followed.

Note: If an existing panel or unit rate contract is in place for goods, (such as a specific price per unit), Council Officers can access these contracts without the need to undertake a full Request for Quote process where value for money can be provided.

5.7 Expressions of Interest:

Council may determine to seek expressions of interest for contract values for goods, services or works exceeding \$200,000 (GST inclusive) where there is:

- likely to be many tenderers, 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
- 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.

An expression of interest process can be undertaken where determined by the CEO or a director, and where council advertises publicly the:

- purpose and nature of the contract
- date by which it will invite tenders.

5.8 Request for Information

A request for information is to be used to determine whether the:

- available technologies, products or services available in the marketplace meet council needs
- proposed terms and conditions or deliverable expectations are acceptable in the marketplace
- proposed budgets are adequate to meet non-standard procurement needs – inadequate budgets should not become apparent when tenders are opened.

5.9 Tender evaluation

- late tenders will not be accepted, unless there are exceptional circumstances causing the tender to be lodged after the closing date
- evaluations will be conducted in accordance with the methodology set out in council's procurement manual
- an evaluation panel will be established to evaluate each tender against the selection criteria and its composition will be determined by the respective project manager
- tender evaluation panels can include external personnel in order to ensure value for money
- the evaluation process must be robust, systematic and unbiased
- once a preferred tenderer is selected negotiations can be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer
- tender evaluation panels will produce a written report of their evaluation using the appropriate prescribed template.

5.10 Local Jobs First Policy

The Local Jobs First Policy (LJFP) has been implemented to help drive local industry development. LJFP must be applied to all relevant grant and procurement activities that meet or exceed;

- 3 Million for procurement activities occurring in metropolitan Melbourne or across all of Victoria; and
- 1 Million for procurement activities occurring in rural and regional Victoria.

For the purposes of LJFP, 'procurement activities' include;

- Procurement of goods and services, regardless of the method of Procurement (tenders, State Purchase Contracts and major events)
- Construction activities
- Delivery of major events and other government projects
- Using a panel of suppliers to deliver goods or services
- Grant recipients (funding to private, non-government and local government organisations for investment support, business development and community infrastructure)
- Design contracts (planning and designing capital works or other large infrastructure projects).

5.11 Contract Length (Terms)

To determine appropriate contract lengths (terms) Council will firstly determine the optimum period for the contract on the basis of value for money and the efficiency and effectiveness of the procurement and then nominate the appropriate length of the contract.

The optimum length of a contract period in order to secure value for money can vary considerably depending on a range of factors, including:

- the extent of competition on the supply side – council may wish to approach the market more regularly if pricing is competitive, and vice versa;
- ensuring the contract term is sufficient to make the cost of the tendering process worthwhile;
- the cost of equipment which the contractor must amortise over the term of the contract in order to submit an economic price.

5.12 Public Interest Disclosure (Whistleblower) Procedures

The position of Director Corporate Services is the appointed Public Interest Disclosure Coordinator (PID). If improper conduct is suspected, Council's PID Coordinator can be contacted as follows:

Public Interest Disclosure Coordinator
Mr David Hol
Director Corporate Services
Phone: (03) 5522 2222

Email: pid@glenelg.vic.gov.au (dedicated public interest disclosure email address) or dhol@glenelg.vic.gov.au

6. Contract Management and Method

6.1 Contract Management

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

Establishing a system of monitoring and understanding of the responsibilities and obligations of both parties' under the contract;

Providing a means for the early recognition of issues and performance problems and the identification of solutions;

Enforcing adherence to the Risk Management Framework and compliance with relevant occupational health and safety contractor compliance procedures;
Enabling a process that ensures both parties to a contract fully meet their respective obligations to deliver both the business and operational objectives required from the contract; and

Actively managing the relationship between the parties' over the term of the contract for the provision of goods and services.

6.2 Developing and Managing Suppliers

Council recognises the importance of effective and open working relationships with its suppliers and is committed to encouraging and maintaining existing suppliers, as well as encouraging new suppliers to compete for work wherever possible or appropriate.

This encouragement may include appropriate feedback to unsuccessful tenderers and quotation providers so that their submissions may be improved in the future.

6.3 Procurement Methods

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

Purchasing card;

Purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds;

Under contract following a tender process;

Using aggregated purchasing arrangements with other Councils, MAV Procurement, Victorian Government, or other bodies;

Other arrangements authorised by the Council or the CEO on a needs basis as required by abnormal circumstances such as emergencies.

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

6.4 Organisational Structure / Model for Procurement

It is Council policy to operate a centre-led procurement structure wherein all strategy, policy, technology, best practice and networking in procurement matters will be led by council's centralised procurement unit/department.

Council's procurement coordinator is responsible for leading the operation of the procurement unit/department.

6.5 Procurement Schemes

Council currently utilises and accesses a number of procurement aggregators and whole of government contracts. An aggregator is an entity that performs the tendering and contract management activities on behalf of a number of local government authorities and other entities. The two predominant aggregators are MAV Procurement and Procurement Australia.

The Victorian State Government also make whole of government contracts accessible to local government. These contracts can be accessed through the Victorian Government Purchasing Board (VGPB) or individual government departments such as the Department of Transport, Department of Justice and Department of Treasury and Finance.

7. Apply a Consistent and Standard Approach

7.1 Professional Standard

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

- The Act;
- Council's policies;
- Council's Code of Conduct for Staff and Councillors;
- Local Government Procurement Best Practice Guidelines; and
- Other relevant legislative requirements.

7.2 Standard Processes

Council will provide effective and efficient arrangements for the acquisition of goods and services that include payment within the terms of the contract, records management and reporting requirements.

This will be achieved via establishing the following:

- Procurement Guidelines, processes, procedures and techniques;
- Tools and business systems (e-tendering, evaluation or sourcing arrangements);
- Reporting requirements, advice and communications; and
- Application of standard contract terms and conditions.
- Report as required on its compliance;
- Make certain public information is easily available;
- Maintain a Contracts Register.

7.3 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. By utilising e-procurement including electronic tender management and tender lodgement systems Council aim to:

- reduce transaction costs;

- achieve greater leverage;
- make processes more efficient;
- improve management information and visibility of spend;
- increasing control and consistency of processes; and
- improve spend compliance.

7.4 Category Management

Council will use a category management approach to identify the most appropriate and effective sourcing and supply arrangements in order to achieve the best outcomes for the community.

8. Risk Management

The provision of goods, services and works by contract potentially exposes the Council to risk. 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 personal injury, property damage, damage to Council's reputation, financial exposure and interruption to the supply of goods, services and works.

8.1 Risk Measures

The Council will manage this risk using measures such as:

- Standardising contracts to include current, relevant clauses;
- Requiring security deposits where appropriate;
- Requiring Bank Guarantees, Appropriate Insurance, Defects Liability Periods, and Liquidated damages clauses to be accepted to protect its risk in large capital works projects;
- Requiring that risk assessments and risk management plans be undertaken and developed for higher risk procurements such as high value; infrastructure purchases and goods and service supplies.
- Reporting on the performance of the contractor for corporate memory, audit and reference purposes;
- Referring specifications to relevant experts;
- Requiring contractual agreement before allowing the commencement of work;
- Use of or reference to relevant Australian Standards (or equivalent); and
- Effectively managing the contract including monitoring and enforcing performance

Council will establish, document and maintain a framework of internal controls over procurement processes in order to ensure:

- a framework for supplier engagement is in place
- more than one person is involved in, and responsible for, each transaction
- transparency in the procurement process
- a clearly documented audit trail exists for procurement functions
- appropriate authorisations are obtained and documented

- systems are in place for appropriate monitoring and performance measurement.

All persons engaged in procurement processes must diligently apply all internal controls.

8.2 Internal Audit

Council's internal audit and risk committee charter will include provision for the committee to monitor and review this procurement policy and its implementation and the related internal controls.

8.3 Occupational Health and Safety

Council will collect and assess the OHS regime of all contractors when evaluating their tender to ensure that the contractor's OHS management system demonstrates compliance with all duties of an employer as specified in the Occupational Health and Safety Act 2004 (Vic).

All OH&S Information, copies of the relevant OH&S records, Contractor Information, breaches or other information is to be completed and contained in each Contract File for Contract Management purposes, compliance, recall or external audit.

8.4 Modern Awards and Enterprise Agreements

Employers are legally required to comply with the provisions of Modern Awards and Enterprise Agreements.

When Council enters procurement contracts with contractors/suppliers who directly employ staff or who engage sub-contractors it will endeavor to ensure that the contractor/supplier complies with their obligations under the Fair Work Act 2009.

9. Enforcement of Policy

The CEO has overall accountability for the procurement of goods, services, and works required to support the business of the Council and is responsible for enforcing the Procurement Policy.

9.1 Breaches of the Policy

Council's Executive Team is responsible for authorising corrective action to rectify all breaches of the Procurement Policy.

9.2 Reporting Breaches

All suspected breaches of this Policy should, in the first instance, be reported to the relevant Supervisor or Manager who, through the respective Director will actively manage the breach to comply with this policy.

All reports received will be treated with appropriate concern for the law, privacy and confidentiality.

9.3 Penalties for Breaches

Breaches of this Policy will be dealt with in accordance with the Council's Discipline Procedure and Staff and Councillor Code of Conduct and any applicable legislation.

10. Records Management

All Council records created and managed as a result of implementing this policy will be managed in accordance with the Council's Records Management Policy. The Records Management Policy assigns responsibilities for records management to employees, supervisors, volunteers and other specific positions.

No Council records are to be destroyed without consideration of the requirements of the Act(s) that govern the functions relevant to this policy. Prior to destruction, advice must be sought from the Records Management Unit, with consideration to the requirements of the appropriate Retention and Disposal Authority (RDA).

11. Victorian State Legislation Copyright Acknowledgement

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12. Appendix A - Definitions

Term	Definition
Act	Local Government Act 2020 (Vic).
Collaborative Procurement Arrangement	a contract established by Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV) or a local government entity, for the benefit of numerous state, federal and/or local government entities and others that achieves best value by leveraging combined economies of scale.
Commercial in Confidence	Confidential information that is released for a specific purpose and that cannot be used for any other purpose.
Conflict of Interest	A Councillor or Council Staff member must not allow a conflict to exist between personal interests and public duty. Specific obligations exist under s130 of the Act. Any conflict of interest is to be disclosed in the manner required by the Council's Governance Rules.
Contract	Means a written agreement (Letter of Acceptance or Purchase Order, as per Delegated Authority) between Council and the successful party that gives rise to legal rights and obligations. A binding contract between Council and the successful party will be created by Council's unconditional acceptance of the Tender or Quotation.
Council	Glenelg Shire Council
Councillor	means a person who has been elected to the office of councillor on Council.
Council Officer	means a current member of Council staff with the authority to engage in activities on behalf of Council.
Economic Contribution	Where a tenderer is required to list any measurable economic contribution which it currently makes, or would make to the municipality if its tender or quotation is accepted.
Evaluation Criteria	The criteria against which the tender or quotation submissions will be evaluated as stated in the tender or quotation documentation.
Goods, Services or Works	means the deliverable(s) the preferred Invitee will be required to provide to Council, when the conditions of contract have been agreed between the preferred Invitee and Council.
Local Supplier	A local supplier is defined as a business whose operating address is located within the Municipal boundaries of Council or within a municipality that borders Council and that employs residents in the area and/or contributes to the local economy.
Probity	In the context of procurement, probity is a defensible process able to withstand internal and external scrutiny; one which achieves both accountability, transparency and provides tenderers with fair and equitable treatment. Probity is about ensuring the procedural integrity of the procurement process.

Procurement	Procurement is the whole process of acquisition of external goods, services and works. Also includes organisational and governance frameworks that underpin the procurement function.
Sustainability	The purchase of products and services that are environmentally preferable, socially beneficial or improve local economies, while achieving value for money on a whole of life basis.
Social Procurement	The use of procurement processes and purchasing power to generate positive social outcomes in addition to the delivery and of efficient and value for money goods, services and works.
Tender Process	The formal process of inviting parties to submit a quotation by tender using public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Variation	Means any change to the contract either agreed to by the superintendent and contractor or resulting from a direction to undertake Goods, Services or Works that differ from those in the contract.

13. Appendix B – Social, Environmental, IT/Data/Smart City and Collaborative Procurement

13.1 Social Procurement

Council supports procurement that not only delivers appropriate value for money but also generates positive social outcomes. This includes fostering and maintaining a strong community by exploring ways to generate local employment and further strengthening the local economy.

Council is committed to supporting the local business community and encouraging its involvement in purchasing processes. Buying locally is preferred where local suppliers are competitive and achieve value for money.

Council requires all procurement evaluation criteria to include the following:

Evaluation Criteria	Weighting
Economic Contribution to the Shire	Up to 25%

13.2 Environmental Procurement

Council is committed to working towards carbon neutrality and a circular economy by 2040. The way in which Council procures materials and services has an impact on its environmental, economic, and social obligation through:

- ensuring suppliers minimise the environmental impact of their operations and maintain environmentally responsible policies and practices including reducing their greenhouse gas emissions
- selecting products/services that have minimal effect on the depletion of natural resources and biodiversity and promote a circular economy
- improving our ability to adapt to climate change
- reducing water consumption and improving water management
- improving equity of access to opportunities
- supporting and fostering social and service innovation and emerging sectors

Council is also committed to minimising Council’s environmental footprint by purchasing goods and services with fewer impacts on the environment.

Council requires all procurement evaluation criteria to include the following:

Evaluation Criteria	Minimum Weighting
The level of commitment demonstrated to maximise environmental sustainability	Year One 15% Year Two 18.5% Year Three 22% Year Four 25%

13.3 IT/Data/Smart City

All purchases that incorporate technology IT/Data/Smart City elements must be discussed and approved by the Glenelg Futures Committee prior to the commencement of the procurement process. (Information Technology Equipment and Software Procurement Policy Doc Set ID:2891522)

These purchases include any of the following:

- Cloud-based systems (not hosted within our environment).
- On-premise systems (is hosted within our environment)
- Upgrades or changes to current IT or Technology systems.
- Digital projects generally, even if the 'digital' component is minor.
- Capital Works projects (any construction that has an opportunity to incorporate smart technology, smart city components)
- Where data is generated, collected, stored, shared, or utilised including reports, and dashboards
- Where records are required to be kept, stored or utilised by council

13.4 Collaborative Procurement

Council Officers will seek to use Collaborative Procurement Arrangements with third parties when procuring Goods, Services and Works in order to take advantage of economies of scale in accordance with section 108(3)(c) of the Act. When a report for a procurement is presented to Council for approval, the Chief Executive Officer will ensure it includes information relating to any collaborative arrangement opportunities that were explored as part of the procurement process.

When collaborating with other Councils, the Council will do so in accordance with the following:

- (a) working with other Councils to develop a consolidated contract register to identify joint procurement projects on an annual basis;
- (b) Council Officers must actively consider all contracts to determine if the procurement would benefit from expertise, economies of scale or other strategic benefits to Council (other than projects that are unique to an individual Council (e.g. unique construction or works projects)) must be included in the consolidated contract register for collaboration consideration;
- (c) other contracts which, due to the subject matter, nature or scope, are likely to deliver operational efficiencies if procured in collaboration with the other Councils, must be included in the consolidated contract register for consideration as a possible joint procurement opportunity;
- (d) Council Officers commit to regularly reviewing the contracts register to determine whether collaborative procurement should be considered;
- (e) where collaborative procurement is to be pursued:
 - (1) pre-approval will be requested from each Council prior to commitment to collaboration, seeking authority to proceed with the collaboration and delegation of contract approval to the appropriate Council Officer of that Council;

- (2) the participating Councils will establish a *Heads of Agreement* that gives authority for a lead council to act as each Council's agent in the Collaborative Procurement Arrangements;
- (3) each of the Councils who participate will be able to enter into a contract with the preferred supplier identified through the collaborative procurement process, or may choose as a group to enter into a contract using "jump in/opt-in" contract provisions during the contract term, or with the Council which conducted the relevant procurement;
- (4) each participating Council must be involved in:
 - a. the initial decision to undertake the Collaborative Procurement Arrangement;
 - b. preparation of, and agreement to, the specifications;
 - c. ensuring probity for the Collaborative Procurement Arrangement; and
 - d. the acceptance of tender(s) and awarding of contract(s); and
- (f) when considering the evaluation criteria for a particular Collaborative Procurement Arrangement each participating Council will prioritise Value for Money for the collaborating Council's in addition to its usual Procurement Policy to ensure alignment can be achieved between Council's for the evaluation criteria.

Furthermore, Council may collaborate with other Councils or other bodies such as MAV Procurement or Procurement Australasia to procure Goods, Services or Works, or utilise existing Collaborative Procurement Arrangements established through a public tender process where it provides an advantageous, Value for Money outcome for the Council.

Any Federal or State Government grant funded projects may be excluded from Collaborative Procurement Arrangements.

14. Appendix C – Exemptions

The following procurements are either exempt from market engagement and/or the requirement for a Purchase Order. With the Chief Executive’s approval, exemptions can be added or removed from this list at any time.

Category	Description	Exempt from market engagement	Exempt from purchase order
Utilities	Electricity, gas, water and telephone services. Note: market exemption where there is only a single provider e.g. Wannon Water.	No	Yes
Insurance premiums and claims	WorkCover and other insurances.	Yes	Yes
Prescribed contracts	Legal services	Yes	No
Payroll expenses	Superannuation and PAYG.	Yes	Yes
GST	Goods and Services Tax payable.	Yes	Yes
Postage	Australia Post.	Yes	Yes
Vehicle registrations	VicRoads vehicle registrations.	Yes	Yes
Councillor expenses	Allowances and Reimbursements.	Yes	Yes
Refundable trust funds	Includes Security Bonds, Contract Retentions and other funds held in trust.	Yes	Yes
Collaborative procurement providers	Municipal Association of Victoria, Procurement Australia, State Government prequalified supplier list.	Yes	No
Levies	EPA Victoria Levy.	Yes	Yes
	Fire Services Property Levy.	Yes	Yes
Other	Acquisition of Land and Buildings.	Yes	Yes

Category	Description	Exempt from market engagement	Exempt from purchase order
	Medical expenses.	Yes	No
	Venue hire.	Yes	Yes
	Memberships and subscriptions.	Yes	No
	External audit fees – Victorian Auditor- General’s Office	Yes	No
	Annual community grants.	Yes	Yes
	Professional workshop and conference registration fees and associated costs.	Yes	No
	Loans and investments.	Yes	Yes
	General advertising.	Yes	No
	Accommodation associated with provision of employment.	Yes	No
	Recruitment advertising	Yes	No
	Salary Packaging	Yes	Yes
	Leases for equipment	Yes	Yes