



Procurement Policy

Category:

Adoption:

Council

Date: 23 June 2020

Review Period:

12 months

Responsible Manager:

Governance Property and Risk

1. Purpose

The purpose of this Policy is to:

- establish a procurement framework for Central Goldfields Shire Council (Council) to achieve value for money and continuous improvement in the provision of goods, services, and works for Council and the community;
- achieve a level of high standards in probity, transparency, accountability and risk management in all procurement activities;
- achieve compliance with relevant legislative requirements;
- encourage and promote the use of local businesses;
- identify social procurement opportunities with local social enterprises and other relevant parties;
- ensure that Council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve Best Practice in accordance with the Victorian Local Government Best Practice Procurement Guidelines; and
- identify opportunities to facilitate or participate in collaborative procurement initiatives.

This Policy is made under Section 186A of the Local Government Act 1989 (“the Act”). This section of the Act requires 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 Council.

2. Scope

This Procurement Policy is made under Section 186A of the *Local Government Act 1989*.

This section of the *Local Government Act 1989* requires 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.

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

3. Policy

3.1. PROCUREMENT THRESHOLDS AND COMPETITION

3.1.1. Procurement principles

Council will apply the following fundamental best practice principles to each procurement activity irrespective of the value or complexity of that procurement:

- value for money;
- best value principles;
- open and fair competition;
- confidentiality;
- accountability;
- risk management;
- probity and transparency.

Consideration must be given to the whole of life cycle of an acquisition, from initial concept to the end of the useful life of that asset including its disposal.

3.1.2.Spend Thresholds

Range or total value of goods/services or works	Minimum Procurement Action	Management Requirement
\$0-\$4,999	At least one verbal quote	Purchase order to be raised at time of ordering
\$5,000-\$19,999	At least one written quote	Purchase order to be raised at time of ordering
*\$20,000-\$59,999	Selective or Public Quotation in eprocure	Requirement to be raised in eBMS
*\$60,000-\$149,999	Selective or Public Tender in eprocure	Requirement to be raised in eBMS
**\$150,000 -	Public tender in eprocure	Requirement to be raised in eBMS
<p>Note:-</p> <p>All pricing is inclusive of GST;</p> <p>Exemptions to this table must be forwarded to the Procurement Unit who will obtain General Manager & CEO approval before any purchase is made.</p> <p>* Expression of Interest, Selective or Public Tendering can be considered, and a written scope or specification must be prepared. Consideration must be given to a Risk Analysis and a Strategic Procurement Plan</p> <p>** Expression of Interest, or Public Tendering. Consideration must be given to a Risk Analysis and a Strategic Procurement Plan.</p>		

3.1.3.Procurement Methods

The acquisition of goods, services or works may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the service or works.

Project values are inclusive of GST, as are provisional sums and all amounts payable under any optional extension periods. The scope of projects must not be split into smaller portions to avoid proper process.

Council procurement methods encompass the following:

- Purchasing Cards;
- Quotations – A purchase order following a quotation process;
- Tenders – A contract following a public tender process;
- Agency Panel – A contract established by a third party agent where Council is eligible to participate;
- State Purchase Contract or a Whole of Victorian Government Contract; and
- A contract entered into under an arrangement approved by the Minister for Local Government.

An Expression of Interest (EOI) may be sought in accordance with Section 186(1) of the Act where:

- There is the potential of receiving many tenders, tendering would be costly or the procurement is complex and Council does not wish to impose the costs of preparing full tenders on all tenderers;
- Uncertainty of the degree of interest of suppliers to offer the proposed goods or services or undertake the works.

3.1.4. Tenders

Public tenders must be undertaken for goods and services with an estimated expenditure greater than \$150,000 and building and construction works with an estimated expenditure greater than \$200,000 in accordance with Section 186 of the Act.

A public tender process may be used for values less than \$150,000 if this will serve Council interests and produce a better outcome in the context of this Policy.

In the circumstance that a strong focus on local supply is required, an advertisement may be placed in one of the local news media that is distributed throughout the municipality.

Similarly there may be a requirement for national distribution. In both cases the Tender Panel will determine the best media channels to provide the best access to the marketplace.

All tenders will remain open for a minimum period of 21 days, unless approval from the CEO has been given for a shorter timeframe.

For a selective tender process a minimum of three tenders must be requested by Council to constitute a competitive process, however if the market being tested is deemed to be of a specialist nature and the relevant industry is limited in suppliers and less than three tenders are received, Council may consider that a competitive process has been conducted and accept the submitted tenders.

Under no circumstance will late tenders be accepted by Council.

3.1.5. Tender Process

Council's tendering processes will:

- Comply with the principles set out in this Policy;
- Utilise a pre-tender briefing if deemed beneficial;
- Involve Evaluations conducted in accordance with the methodology set out by the Tender Panel;
- Establish an Evaluation Panel to evaluate each tender against the evaluation criteria and its composition will be determined by Tender Panel;
- Have Tender Panels and Evaluation Panels which may include external personnel in order to ensure transparency of the process and/or professional knowledge to the panels;
- Be robust, systematic and unbiased;
- May include a weighting of up to 10% to be applied to local economic benefit;
- Allow the conduct of selected negotiations with a preferred tender 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;

- Ensure Tender Evaluation Panels produce a report of their evaluation using the appropriate prescribed template;
- Ensure minutes of all meetings are produced by the chairperson of the Tender Evaluation Panel;
- Ensure that the chairperson maintains detailed records of all commercial-in-confidence negotiations, if any occur.

3.1.6.Quotations

The purchase of all goods, services and works with a value of less than the prescribed thresholds may be undertaken using Council's quotation procedures.

The amount of expenditure for a purchase will determine the process that must be followed during the procurement stage.

Under no circumstance will late quotations be accepted by Council.

3.1.7.Panel Contracts

In some cases a panel of contractors will be appointed. Contractors on panel contracts are not guaranteed a set amount of work but may be called on at any time to supply services, goods or works.

In these cases, the contractors may be engaged by:

- Using the schedule of rates submitted in their tender, or
- Requesting quotations.

Panels have advantages in that:

- Any expenditure with the contractor will comply with the legislative requirements
- A formal contract is in place
- Contractors can be called upon at short notice.

Once a panel is established, care should be taken in relation to the engagement of the contractors on the panel.

Some aspects to consider are:

- Which panel member can best provide the service
- If all members of the panel are offering a similar service, the contractor offering the lowest price may be the best option
- Situation must be avoided where, over the contract term, one or two members of the panel are allocated the majority of the work.

3.1.8.Agency Panel Contracts

Council has available various Agency Panel arrangements, i.e. Panel Contracts through Procurement Australia, MAV Procurement and the Victorian Government Purchasing Board. To ensure compliance, Council must engage the appropriate business rules of the Agency.

To ensure this occurs, the use of Agency Panel arrangements must be conducted by Council's Procurement Unit.

3.1.9. Financial Delegations

Council is responsible for setting the financial delegations of the Chief Executive Officer (CEO).

The CEO then sets the financial delegations for staff.

Council staff must only approve expenditure relating to contracts, quotations or purchasing cards in accordance with their financial delegation

These delegations give relevant officers the power to:

- procure goods, services or works;
- expend amounts for the procurement of goods, services or works (this includes expenditure relating to any contract variations in accordance with Council's Contract Management Framework);
- approve quotations or tenders or enter into contracts; arising out of or connected with any duty imposed, or function or power conferred on Council by or under any Act and as provided for in Council's adopted Budget.

3.1.10. Variations

A Contract Variation is a variation of the accepted Contract Price or the terms of the Contract. A Budget Variation is a variation of the project budget allocation.

If a Budget Variation is required before a Contract is entered into or whilst the Contract is ongoing the Budget Variation must be approved before the Contract is entered into or a Contract Variation is approved.

All Contract Variations must be approved by the Contract Manager. Approvals must be in line with the Contract Manager's Financial Delegations. If the variation amount exceeds the Contract Manager's Financial Delegations, the relevant General Manager, or CEO, must approve the Contract Variation. The Contract Variation Certificate must include an explanation of the variation to the works being undertaken and the exact cost must be supplied by the Contract Manager.

An approved Contract Variation Certificate must be received prior to the variation of the works commencing or additional payment made to the contractor.

All contract managers must familiarise themselves with and follow Councils' Contract Management Framework.

3.1.11. Exemptions

There are circumstances in which there may be legitimate reasons for not complying with the processes above.

These reasons must be justifiable and may include

1. where the need is **extremely urgent** and there is insufficient time to seek quotations (lack of planning does not satisfy this requirement);

2. where there is a **sole source of supply** for the goods, e.g. artistic works, education and training, advertising with local media;
3. where the purchase constitutes **support from the original supplier**, e.g. servicing of plant and equipment, software licencing and support, subscriptions to professional organisations and publications;
4. where specific circumstances make it **impractical** to obtain multiple quotes, e.g. heavy plant repairs.

When applying for exemption the officer must provide a complete explanation of the reason for insufficient quotes on the Exemption Request Form, including attaching documentation when available. The General Manager and CEO approving the exemption should only approve the order if they are satisfied that the provided explanation is sufficient. All parties must be prepared to explain their decision to any one of: an internal auditor, an external auditor, a supplier who could have supplied the service but wasn't asked, or a member of the public.

3.1.12. Third Party Tenders

Exemption from the public tender process and/or quotations will be allowed where the contract is entered into via MAV Procurement or Procurement Australia. A link to the list of current available contracts is available on the intranet under Procurement. The Minister has granted approval for this under Section 186 (5)(c) of the Local Government Act 1989 on the basis that these contracts are selected following a competitive process and represent best value.

Requests to access these contracts must be approved by the CEO and can be facilitated through the Senior Procurement Officer.

The value of the proposed spend on the contract will determine the authorisation as per the Procurement Delegations.

3.1.13. Loans and Grants

The provision of Loan Funds or Grants does not constitute procurement under the Section 186 of the Local Government Act 1989, but are rather a financial accommodation. Therefore they are not subject to the general requirements of this policy. However, as the dispersal of these funds is managed through the same financial processes within Council, appropriate documentation should be attached to the requisitions raised to facilitate the dispersal of these funds. This ensures that such transactions are clearly auditable and transparent.

3.1.14. Legal Services

The procurement of legal services is exempt from section 186 of the Local Government Act via the Local Government (General) Regulations 2004 Part 4 Section 10, and are also exempt from the *Quotation and Tender Thresholds* of this policy.

The procurement of legal services up to the value of \$75,000 must be approved by the relevant Director. The procurement of legal services from \$75,000 - \$150,000 must be approved by the CEO. The procurement of legal services above \$150,000 must be approved by Council.

3.2. STRATEGIC PROCUREMENT

The term 'strategic procurement' is applied to several different concepts including:

- a coordinated approach by Council in developing supply markets to support Council business objectives;

- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long term plans for ensuring timely supply of goods, services or works that are critical to Council's ability to meet its core business objectives; and
- the process used to take a project from its early planning phase through to contract completion.

The essence of strategic procurement is that it should be aligned and contribute to Council's overall long term strategy. It should be consistent with the Council Plan and include projections of revenue and expenditure in the Comprehensive Income Statement.

Strategic procurement places an emphasis on:

- detailed analysis of Council's spending pattern;
- ensuring procurement efforts correspond with risk and expected return;
- optimising the procurement process to reflect market conditions;
- including continuous improvement and value for money in contractual arrangements with suppliers; and
- developing a strategic procurement program for long term evolution of the procurement functions.

3.3. PROBITY REQUIREMENTS

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

3.3.1. Organisational procurement structure

Council operates a centre-led procurement structure wherein all strategy, policy, processes, technology, best practice, document control, processes and networking in procurement matters will be the responsibility of the Procurement Unit.

Council shall:

- establish a procurement management structure and appropriate delegations ensuring accountability, transparency and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by Council;
- 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;
- ensure that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
- encourage competition between tenderers; and
- ensures all policies that relate to purchasing practices are communicated and implemented.

3.3.2. Internal Control

Council has established and maintains systems of internal controls (Council's Finance System, Electronic Records Management System and eBMS) over procurement processes that will ensure:

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

3.3.3. Conduct of Councillors and Council Staff

Councillors and Council staff must at all times conduct themselves in a manner that is, and is seen to be ethical, of the highest integrity and will:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain the confidentiality of commercial-in-confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- provide all suppliers and tenderers with the same information and equal opportunity;
- be able to account for all decisions and provide feedback on them; and
- not perform any works under the contract they are supervising.

Councillors and Council staff belonging to professional organisations must, in addition to the obligations detailed in this Policy, ensure that they adhere to any code of ethics or professional standards required by that body.

A Councillor must:

- comply with the requirements of the Local Government Act 1989 and Local Government Act 2020 in relation to improper conduct, confidentiality and conflict of interest;
- comply with the Councillor Code of Conduct; and
- 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.

3.3.4. Conflict of Interest

Councillors and Council staff must comply with Council's policies in relation to Conflict of Interest. Councillors and Council staff must at all times avoid situations in which private interests conflict, might be perceived 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 a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person has a conflict of interest, whether direct, indirect or perceived, in the matter.

The onus is on the Councillor or the member of Council staff involved being alert to, and promptly declaring a conflict of interest.

3.3.5. Fair and Honest Dealing

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

Impartiality must be maintained throughout the procurement process so it can withstand the scrutiny of public and statutory authorities.

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

3.3.6. Accountability and Transparency

Accountability in procurement means being able to explain and provide documented 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 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.

Additionally, all Council staff must be accountable for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and record and document all performance and other relevant matters to ensure a transparent audit trail for monitoring and reporting purposes. Records must be saved in MagiQ or eBMS as appropriate.

3.3.7. Gifts and Hospitality

Councillors and Council staff are to apply the Councillors and Staff Code of Conduct and Gifts, Benefits and Hospitality Policies in dealing with offers of hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how minute the evidence available), must be promptly brought to the attention of the CEO.

3.3.8. Disclosure of Information

Commercial-in-confidence information received by the Council must not be disclosed, unless compelled to do so by law, and is to be stored in a secure location.

Councillors and Council staff are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is commercial-in-confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

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

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

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

Following the awarding of the Contract the successful tenderers name and tender price will be disclosed to the unsuccessful tenderers and can be used in media releases about the project.

3.3.9. Probity Plan Audits

A Probity Plan will be considered by the Tender Panel for all high risk, complex tenders. Consideration should also be given for the engagement of a probity auditor for all high risk, complex tenders.

3.4. RISK MANAGEMENT

3.4.1. General

Risk management is to be appropriately applied at all stages of procurement activities. Risk management will be properly documented 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 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.

3.4.2. Supply by Contract

The provision of goods, services and works by contract potentially exposes the Council to risk.

The Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits where appropriate;
- referring specifications to relevant experts for advice;
- 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.

3.4.3. 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 funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

3.4.4. Dispute Resolution

All Council Contract Managers must be familiar with Council's dispute resolution process in order to minimise the chance of disputes escalating to possible legal action. In the event that a dispute cannot be resolved amicably, the Contract Manager is required to contact the Procurement Unit for assistance. There is a clause on the dispute resolution process in Council's General Conditions of Contract.

3.4.5. Contract Management

The purpose of contract management is to ensure that both parties to an agreement meet their individual obligations as specified in the contract. Council Contract Managers must familiarise themselves with and follow Council's Contract Management Framework.

Council Contract Managers are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

- utilising Council's eBMS system to ensure the responsibilities and obligations of both parties under the contract are met;
- providing regular performance reviews, utilising eBMS, as a means for the early recognition of issues and performance problems and the identification of solutions;
- developing and maintaining a sound business relationship with relevant suppliers for the duration of any contractual agreement;
- identifying innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery; and
- adhering to Council's Risk Management Framework and Occupational Health and Safety Framework.

3.4.6. Occupational Health and Safety Management Systems (OHSMS)

It is mandatory for all contractors engaged by Council to provide services or works, to have a documented OHSMS that conforms to the requirements of the Occupational Health & Safety Act 2004 and that the system is implemented during the conduct of those services or works.

Contract Managers are required to ensure that an OHSMS is sighted and assessed for conformance prior to the commencement of any relevant services or works. Details are to be entered into Council's eBMS system.

3.4.7. References

Council staff are able to provide a reference for a contractor who has worked with Council for tender applications at other organisations. Council staff cannot provide a reference for a tenderer applying for contracts at Council.

3.4.8. Endorsement of Products or Services

Council staff must not endorse any external products or services. Individual requests received for endorsement must be referred to General Manager level or above.

3.4.9. Fraud and Complaints

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are encouraged to report fraud allegations or complaints about procurement processes and/or staff taking part in procurement activity to Council's Chief Executive Officer or Council's Public Interest Disclosures Coordinator in accordance with Council's Public Interest Disclosure Procedures.

3.5. ACHIEVING VALUE FOR MONEY

3.5.1. Requirement

Council's procurement activity will be carried out on the basis of obtaining Value for Money. This means minimising the total cost of ownership over the lifetime of the product consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of value for money.

3.5.2. Approach

The process for achieving value for money will be facilitated by:

- Developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle of the asset;
- Effective use of competition;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Council staff involved in procurement acquisitions or management providing competent advice in terms of available products and services; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

3.5.3. Best and Final Offer (BAFO)

To complement the Value for Money solution Council may include relevant clauses in tender conditions associated with Construction and Major Service tenders where a Lump Sum price is requested. These tender conditions will provide Council the option to initiate a BAFO with short listed tenderers that may result from the overall tender process.

A BAFO process is conducted after the close of the tender process, during the evaluation stage. It is described as a means to assist selection of a preferred tender when the offerings provided by two or more tenders are of similar weighting or are difficult to distinguish between, or in the event that all tenderers have submitted prices that exceed the budgeted amount.

3.6. PERFORMANCE MEASURES AND CONTINUOUS IMPROVEMENT

Contracts must contain measurable performance criteria and reporting systems to establish the monitoring of contractor performance and compliance.

These criteria must be measurable and relevant to the goods, services or works being provided to accommodate the following requirements:

- Highlights performance trends and exceptions in the areas of specified qualitative and quantitative deliverables;
- Provides high level capabilities in auditing and monitoring service delivery; and
- Encourages continuous improvement in service delivery methodologies.

As required by Councils Contract Management Framework, at the completion of each contract, Contract Managers must undertake a post contract analysis.

This will include the need to:

- Evaluate contract performance
- Document lessons learned, and
- Update policies or procedures, where required.

4. Corporate and Social responsibility

4.1. SOCIAL PROCUREMENT

Social procurement identifies intended social impacts or outcomes as an integral part of developing the procurement scope or objectives.

Council is committed to supporting social procurement because of the positive social impacts this provides to both Council and the community. Council has developed processes to ensure that social enterprises become part of a diverse and dynamic supplier market.

The decision within Council to engage with social procurement may originate in a number of ways. For example, if:

- Council has scope for the inclusion of social benefits when issuing a tender;
- A current contract is soon to expire, allowing for a revision of service delivery and contracting arrangements; and/or
- When particular social issues in a community are not being addressed using traditional approaches.

Existing contracts may also be varied so that social impacts are incorporated for the delivery of goods and services. In this case Council officers should engage all suppliers in social procurement practices where appropriate and seek their cooperation to explore possibilities for subcontracting to social benefit suppliers.

Tender documents or Requests for Quotation should contain:

- Suitable social clauses and weightings to achieve the desired social benefits;
- Appropriately designed response statements to allow suppliers to clearly articulate how they will deliver social impacts; and
- Social clauses that are framed as measurable deliverables rather than aspirations.

A pre-tender briefing may be necessary to explain the detail of the social clauses, particularly if they refer to complex matters with which mainstream suppliers may not be familiar.

4.2. SUPPORT OF LOCAL BUSINESS AND INDUSTRY

Council recognises the need to support the local economy. To encourage this, Council will actively seek offers from local suppliers where possible by:

- encouraging participation from local suppliers and
- including an evaluation criteria that gives a maximum weighting of 10% for local content where considered relevant by the Tender Panel.

To accommodate this support, Council has encouraged local traders to register on Council's e-tender board. This will enable the traders to be emailed details of any tender opportunities within their field of registration.

4.3. ABORIGINAL ENGAGEMENT

Council aims to support Aboriginal entrepreneurship, business development and employment by providing Aboriginal businesses with more opportunities to participate in the economy. Council is committed to explore opportunities in engaging Aboriginal businesses for the delivery of goods or services, and encourages tender applications from such enterprises.

4.4. SUSTAINABILITY

Council endorses the practice of sustainable procurement and the sourcing of environmentally preferable products and services whenever they perform satisfactorily and are available at a competitive price.

Sustainable procurement practice will demonstrate to the community that Council's purchasing decisions can improve markets for environmentally preferred products, enhance environmental quality, be resource responsible and contribute to progress toward sustainability.

Procurement decisions should be made on the basis of value for money, rather than just the lowest purchase price. This includes consideration of both the full life-cycle and total cost of ownership such as procurement price, operation and maintenance costs, the environmentally responsible disposal of the product at the end-of-life together with non-price factors including contribution to the Council's sustainability objectives.

Council is also committed to reducing environmental impacts and will encourage the design and use of projects and services that have been produced to ethical standards which have minimal impact on the environment and human health.

4.5. DIVERSITY

Promoting diversity 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 Council commitment to diversity and equal opportunities wherever possible.

4.6. BUY AUSTRALIAN AND NEW ZEALAND

In accordance with Section 186(3) of the Act, Council will give preference to goods, equipment, material or machinery manufactured in Australia and New Zealand whenever practicable.

4.7. ETHICAL STANDARDS FOR THE ACQUISITION OF TEXTILES, CLOTHING AND FOOTWEAR

Council supports the application of ethical standards in the acquisition of textiles, clothing and footwear as espoused by industry associations such as Ethical Clothing Australia. These standards are designed to ensure that businesses are committed to taking practical steps to keep their Australian-based supply chains transparent and ensure that they and any sub-contractors are compliant with relevant Australian laws.

Suppliers of textiles, clothing and footwear will need to demonstrate their commitment to observing ethical standards in the supply of products to Council.

5. Definitions

In this Policy the following definitions apply:

“the Act” means the Local Government Act 1989 (Vic.);

“Commercial-in-confidence” means information that if released may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information;

“Community” means Council’s purchasing system;

“Contract” means an agreement between two or more authorised persons, on behalf of their organisations, to perform a specific act/s that is/are enforceable by law. A contract may be verbal, written or inferred by conduct;

“Contract Manager” means the person nominated by Council to manage the day-to-day matters of the contract;

“Contract Management” means the process that ensures both parties to an agreement fully meet their obligations and responsibilities in accordance the contract;

“Council Officer” or “Council staff” means any full or part time staff member of Council including temporary employees;

“eBMS” means Council’s Procurement & Contract Management System;

“eprocure” means Council’s e-tender board

“Evaluation Criteria” means the criteria used to evaluate the compliance and/or relative ranking of the tender responses. All evaluation criteria must be clearly stated in the request documentation;

“Evaluation Panel” see Tender Panel below;

“Local Content” means any business based within the Shire boundaries or with a branch based within the Shire boundaries;

“Probity” means, honesty, integrity, proper and ethical conduct in Council dealings;

“Procurement” means the whole process of acquisition of external goods, services or works. This process encapsulates the whole of life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service or works contract;

“**Sustainability**” means activities that meet the needs of the present without compromising the ability of future generations to meet their needs;

“**Tender Panel**” means the group of Council Officers called together by the Contract Manager to participate in the tendering process. The panel must contain at least three Council Officers. The Contract Manager and the Senior Procurement Officer must be on the Tender Panel

The Tender Panel becomes the **Evaluation Panel** when the tender closes;

“**Tender process**” means the process from the planning stages to the awarding of a contract. This includes the development of tender documentation, invitation to tender period, evaluation stage and recommendation of a preferred supplier/s;

“**Value for Money**” means that optimum combination of quantitative and qualitative components of a tender offer.

6. Human Rights Statement

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights and Responsibilities Act (2006). Central Goldfields Shire Council is committed to consultation and cooperation between management and employees.

7. Related Policies and Procedures

- Contract Management Policy
- Council Plan 2017-2021
- Council’s Annual Budget
- Councillor Code of Conduct Policy
- Delegations
- Gifts, Benefits & Hospitality for Council Staff Policy
- Gifts, Benefits & Hospitality for Councillors Policy
- Managing Conflicts of Interest for Council Staff Policy
- Managing Conflicts of Interest for Councillors & Council Committee Members Policy
- Occupational Health and Safety Manual
- Public Interest Disclosure Policy
- Staff Code of Conduct Policy
- Risk Management Policy

8. Relevant Legislation and Guidelines

- Aboriginal Heritage Act 2006 (Vic);
- Competition and Consumer Act 2010 (Cth);
- Local Government Act 1989; (Vic)
- Local Government Act 2020 (Vic);
- Occupational Health and Safety Act 2004 (Vic);
- Public Interest Disclosure Act 2012 (Vic);
- Victorian Aboriginal and Local Government Action Plan.