

## PROCUREMENT POLICY

Policy No.	C32	Adoption Date:	Council Meeting 20 July 2022
Revision Date:	July 2026		
Directorate:	Performance & Innovation	Department:	Financial Strategy
<b>GOOD GOVERNANCE FRAMEWORK – OVERARCHING PRINCIPLES</b>			
Supporting Pillar:	Pillar 7 - Risk & Compliance		
Link to Pillar:	<p>Good Governance is accountable: obligation to report, explain and be answerable for the consequences of decisions made on behalf of the community.</p> <p>Good Governance follows the rule of law: this means decisions are consistent with relevant legislation or common law and are within the powers of council.</p>		

### 1. PURPOSE

- 1.1. The purpose of the *Procurement Policy (C32)* (the Policy) is to support purchasing practices that are fair and transparent, that comply with the law and deliver best value for money.
- 1.2. This Policy has been developed to comply with sections 108 and 109 of the *Local Government Act 2020* (the Act) which requires Council to:
  - 1.2.1. Prepare and adopt a procurement policy which sets out the principles, processes and procedures that apply for the purchase of goods, services and works carried out by Council.
  - 1.2.2. Review its Procurement Policy at least once during a four-year term of Council.

### 2. SCOPE

- 2.1. The scope of this Policy applies to the procurement of all Council goods, services and works unless specifically exempted by this Policy.
- 2.2. The scope of this Policy applies to the whole of Council; Councilors, Council staff and other persons undertaking procurement on Council's behalf.



### 3. POLICY PRINCIPLES

#### Guiding Principles

- 3.1. Council is committed to ensuring that its purchasing practices are fair and transparent, comply with the law and deliver best value for money. This Policy is consistent with the requirements of s108(2) of the Act and will:
  - 3.1.1. Achieve value for money for the community;
  - 3.1.2. Ensure open and fair competition;
  - 3.1.3. Ensure openness and transparency of the decision-making process;
  - 3.1.4. Achieve high standards of probity, accountability and risk management;
  - 3.1.5. Achieve compliance with legislation;
  - 3.1.6. Reduce the risk of fraudulent behaviour and financial misuse;
  - 3.1.7. Promote Environmental Sustainability; and
  - 3.1.8. Seek to support local and social procurement.
- 3.2. It also defines key principles to ensure that they are understood by Council employees and suppliers. Other definitions, explanations and implementation information applicable to this Policy are contained in the supporting Procurement Manual.

#### Treatment of GST

- 3.3. All monetary values stated in this Policy exclude GST unless specifically stated otherwise.

#### Ethics and Probity

- 3.4. Councillors and Council employees must always conduct themselves ethically and with integrity and must:
  - 3.4.1. Treat potential and existing suppliers with equality and fairness;
  - 3.4.2. Ensure all general procurement takes into consideration all relevant ethical supply chain provisions identified within the *Modern Slavery Act 2018*;
  - 3.4.3. Not seek or receive personal gain;
  - 3.4.4. Maintain confidentiality of commercial in confidence information such as contract prices and other sensitive information;
  - 3.4.5. Present the highest standards of professionalism and probity;



- 3.4.6. Deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
  - 3.4.7. Provide all suppliers and tenderers with the same information and equal opportunity; and
  - 3.4.8. Be able to account for all decisions and provide feedback on them.
- 3.5. Council may choose to engage probity services depending on the nature, complexity, risk and value of a procurement activity.
- 3.5.1. Circumstances where a Probity Advisor and / or Probity Auditor must be engaged include procurement with an expected value of \$5 million or over.
  - 3.5.2. Other circumstances where a Probity Advisor and / or Probity Auditor must be engaged include procurement with an expected value of \$1 million, and are:
    - 3.5.2.1. deemed high risk; or
    - 3.5.2.2. deemed by the Executive Management Team to be complex or sensitive in nature; or
    - 3.5.2.3. considered politically sensitive or subject to a high degree of public scrutiny.
  - 3.5.3. Council's contract initiation forms will provide for the relevant Director to review and recommend the appointment of a probity advisor or probity auditor where deemed necessary.
- 3.6. In relation to conflict of interest, Councillors must comply with Division 2 of the Act, the *Governance Rules 2020 (C82)* and the *Councillor Code of Conduct (C14)*. Council employee expectations are outlined in the *Code of Conduct Policy – Staff (CE20)*. Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

### **Commitment to Best Practice**

- 3.7. Council's commitment to achieve best practice through continuous improvement and compliance with legislation will be demonstrated through:
  - 3.7.1. Requiring all responsible employees to have the necessary training and knowledge to ensure competencies in procurement are maintained;
  - 3.7.2. Maintaining system controls and efficiencies;
  - 3.7.3. Defining accountabilities and proactively managing any non-compliance swiftly and systematically;



- 3.7.4. Reviewing Procurement practices, policies and guidelines reflect the *Local Government Procurement Best Practice Guidelines* as issued by Local Government Victoria; and
- 3.7.5. Considering and responding to reports and recommendations from various authorities and collaboration across the sector by involvement in various working groups.

### **Value for Money**

- 3.8. Section 108(3) of the Act requires that Council stipulates the criteria that helps measure the value for money concept. For South Gippsland Shire Council, obtaining value for money does not mean Council is obliged to seek the lowest price.
- 3.9. The concept of 'value for money' involves considering both financial and non-financial factors including (but not limited to):
  - 3.9.1. Quality
  - 3.9.2. Longevity
  - 3.9.3. Fitness for purpose
  - 3.9.4. Operational costs
  - 3.9.5. Experience and performance history
  - 3.9.6. Flexibility, innovation and adaptation
  - 3.9.7. Whole of life costs including acquisition, decommissioning and disposal costs
  - 3.9.8. Environmental impact including recyclability or reuse considerations.
  - 3.9.9. Backup and Support systems
  - 3.9.10. Licensing, registering and training costs
  - 3.9.11. Legal costs
  - 3.9.12. Risk, security and Occupational Health and Safety considerations

### **Collaboration**

- 3.10. In accordance s108(3) of the Act, Council will seek to collaborate with other Councils or public bodies (e.g. MAV Procurement, Procurement Australia or State Government) when procuring goods, services or works in order to take advantage of efficiencies or economies of scale.
- 3.11. In accordance with the Act, section 109(2), each report to Council recommending entering in to a procurement agreement, will include information relating to the opportunities for collaboration.



## **Environmental Sustainability**

- 3.12. Council is committed to reducing its environmental impacts and will encourage procurement activities which seek to consider whole-of-life sustainability of the Goods, Services or Works being procured.
- 3.13. Council demonstrates sustainable procurement by:
- 3.13.1. Considering impacts on society, the economy and the environment including the impacts of the organisation's supply chain;
  - 3.13.2. Examining anticipated organisational, project and/or community needs;
  - 3.13.3. Continually improving sustainability specifications, practices and outcomes;
  - 3.13.4. Maximising recycling opportunities and reducing waste during the procurement life cycle;
  - 3.13.5. Planning and undertaking sustainability evaluations as part of contracting activities; and
  - 3.13.6. Council encourages the design and use of products and services that have been produced to ethical standards, which minimise as far as practicable the impact on the environment and human health.

## **Local Suppliers**

- 3.14. As Council recognises the contribution made through procurement to the economic prosperity of the Shire, local suppliers and providers are encouraged to compete for the provision of Council goods, services and works.
- 3.15. Three aspects are included in the measurement of Local Procurement. These are the procurement of goods or services with:
- 3.15.1. Businesses owned and operated in the South Gippsland Shire ('South Gippsland Businesses')
  - 3.15.2. Businesses owned and operated in the five other Gippsland municipalities: Baw Baw, Bass Coast, East Gippsland, Latrobe and Wellington. ('Gippsland Regional Businesses')
  - 3.15.3. Businesses owned outside the region, but in all other aspects operate as a local business employing predominantly local staff and supporting their operation with local suppliers and resources (Significant South Gippsland Operators).
- 3.16. Regular reporting will be provided to the Executive Leadership group and Council detailing the percentage of procurement activity including the breakdown of the portions to the businesses listed in the preceding section.



- 3.17. Purchases are to be justified on best value grounds for South Gippsland Shire, which include local economic, environmental and social benefits.
- 3.18. Where there is a local supplier or supplier using local contractors, the weighting criteria applied will take account of this as described in the Procurement Manual.

### **Internal Control Framework**

- 3.19. Council will establish, document and maintain a framework of internal controls over procurement processes.
- 3.20. All procurement activities are required to be performed with integrity and in a manner able to be upheld under close audit scrutiny. This requires all relevant Councillors and staff to act impartially and with integrity, avoiding conflicts of interest. Further, the Chief Executive Officer may approve a formal probity plan for proposed high value, high risk or complex contracts which require a higher level of public confidence in accordance with the Procurement Manual.
- 3.21. The Chief Executive Officer will manage procurement activities on behalf of Council by establishing and maintaining:
- 3.21.1. this *Procurement Policy (C32)*;
  - 3.21.2. a Procurement Manual including the procurement processes, procedures, methods, procurement approval levels for staff; and
  - 3.21.3. alignment with relevant Council Policies and supporting internal corporate policies and procedures.
- 3.22. Internal processes are required to prevent undisclosed conflict of interest, fraudulent behaviour and misuse of Council funds and resources to the extent possible and proactively reduce these risks through the use of prevention and detection processes and controls.

### **Breaches**

- 3.23. Where the *Procurement Policy (C32)* has been breached, appropriate corrective action will be taken immediately in accordance with the Code of Conduct for Employees. Criminal and Civil penalties may be imposed if fraud, corruption, bribery or Australian Consumer Laws are breached in accordance with the *Fraud and Corruption Policy (C19)*.

### **Evaluation Criteria**

- 3.24. Tender selection criteria and weighting for each criterion will be documented prior the requesting of tenders.
- 3.25. An appropriately qualified and briefed evaluation panel will be established to evaluate each submission against the selection criteria.



- 3.26. The results of the tender evaluation and demonstration of the robustness of the process is to be documented with the final recommendation for tender/ contract approval.

### **Public Tenders**

- 3.27. Section 108 of the Act details that each Council will set the public tender threshold circumstances when tenders must be publicly invited. The purchase of goods or services (including works) to the value of \$250,000 or more, excluding GST, (or as otherwise prescribed by Order in Council) for the whole term of the contract will be undertaken by an open public tender process, unless one of the nominated and/or legislated exemptions apply.
- 3.28. Public tenders will be listed in the Council Noticeboard which is published on the Council website as well as advertised in selected local newspapers, advertised in the tender section of other newspapers considered relevant to the procurement, and should be considered for listing on business networking platforms.
- 3.29. The successful tenderer(s) of any tender over the public tender threshold of \$250,000 (exclusive of GST) will be listed on the publicly available Council website.
- 3.30. Procedures for tenders, quotations and other procurement methods are set out in Attachment A, the supporting Procurement Manual and other relevant Council/Corporate policies.

### **Delegated Procurement Threshold (Chief Executive Officer)**

- 3.31. An s5 Instrument of Delegation has been established and will be maintained from Council to the Chief Executive Officer, which includes procurement delegations and is published on Council's website. The s5 Instrument of Delegation to the Chief Executive Officer (CEO) delegates to the CEO the power to approve and execute contracts up to the value of \$750,000 (inclusive of GST).
- 3.32. Exceptions to the s5 Instrument of Delegation are outlined:
- (a) *expenditure made under a contract already entered into;*
  - (b) *expenditure which Council is, by or under legislation, required to make in which case it must not exceed budget allocation;*
  - (c) *any other contract which complies with Council's procurement policy and is delegated to the Chief Executive Officer to award by a resolution of Council;*
  - (d) *a contract or expenditure that complies with Council's Capital Works Program adopted in the Annual Budget; or*
  - (e) *annual WorkCover and Council insurance premiums.*
  - (f) *if there is a state of emergency declared under the Public Health and Wellbeing Act 2008 or state of disaster under the Emergency Management*





*Act 1986 and the delegate forms the opinion that any meeting of Council which would otherwise determine the issue, take the action or do the act or thing will lapse for want of a quorum may the delegate (following consultation with the Mayor if available and subject to any decision made by the delegate being reported to the next available Council Meeting) award a contract equal to or exceeding the value of \$750,000 (inclusive of GST) to a maximum value of \$3,000,000 (inclusive of GST);*

- (g) in case of an emergency caused by an extraordinary event, including severe weather conditions, when the response must be taken urgently in order to ensure the safety of the community, the repair and remediation works directly attributable to that emergency and a contract does not exceed the value of \$3,000,000 (inclusive of GST), the CEO may declare an 'emergency event' and determine that a contract must be entered into due to this emergency, subject to that contract being within the Chief Executive Officer's 'emergency event' financial delegation;*
- (h) any tender over the public tender threshold of \$250,000 (exclusive of GST) and any other financial delegation in excess of \$750,000 (exclusive of GST) in accordance with Council's Procurement Policy (C32), must be reported to the next appropriate Council Meeting.*

### **Sole Source Procurement Exemptions**

- 3.33. Council at times makes purchases at values above the single quote threshold, normally requiring a competitive process (multiple quotes or formal tender), but may find there is no competitive market for that particular product or service.
- 3.34. Officers seeking sole source procurements are to request exemption from the public tendering or multiple quote requirement from the Chief Executive Officer (CEO) prior to the quoting or tendering process occurring. This approval is to be included in the recommendation to Council or relevant approver as a part of the purchase justification and is to be explained in the Justification field of the accompanying Purchase Order.

### **Panel Contracts**

- 3.35. As part of a public tender process, a panel of tenderers may be appointed to promote security of supply. This is most likely to be the case where council requires a range of services to be performed. Typical examples include the appointment of a range of trade services to undertake maintenance works or a range of contractors prepared to undertake projects such as refurbishment of buildings or facilities.
- 3.36. Officers should ask for quotes on a job-by-job basis which further promotes competition and value for money.
- 3.37. The market must be tested in a consistent manner without any bias, or perception of bias, so that potential suppliers and the public have confidence in the outcome.





### **Late Tenders**

3.38. Council will only accept tenders via its electronic e-Tendering system. Council will not accept late tenders unless it can be clearly documented that:

- 3.38.1. There was a system failure / interruption with Council's electronic e-Tendering system that impacted on lodgment; and the Chief Executive Officer agrees to acceptance.

### **Negotiations**

3.39. Council may engage in post tender negotiations subject to these being conducted in accordance with Council's Procurement Manual and the Victorian Local Government Procurement Guidelines.

### **Disclosure of Information**

- 3.40. A Contract Register that contains details of all contracts that have been awarded through a public tender process, above Council's threshold, will be publicly available, including on the South Gippsland Shire website.
- 3.41. This register will show the contract purpose, the recommended / successful tenderer(s), a brief description of the goods, services or works that are being procured (including contract length) and total contract price. Council will not disclose information about procurements below the statutory thresholds.
- 3.42. Commercial in Confidence information received by Council must not be disclosed and is to be stored in a secure location.
- 3.43. Councillors and officers must take all reasonable steps to maintain confidentiality of information disclosed by organisations in tenders, quotations or during tender negotiations and Commercial in confidence information.
- 3.44. Officers and independent subject matter experts on tender evaluation panels need to sign a Deed of Confidentiality agreement before commencing their duties on the panel and whilst participating in the procurement process, should the need arise.
- 3.45. Discussions with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by the supplier.
- 3.46. At no stage should any discussion be entered into which could improperly influence the procurement process or negotiation of the contract prior to the finalisation of the contract approval process, other than pre contract negotiations.

### **Community Asset Committees (section 65, the Act)**

3.47. Approval to enter into contracts which exceed a Community Asset (Section 65) Committees financial delegation to enter into contracts as outlined in their Instrument of Delegation must be approved by a Council Officer possessing the required financial delegation as set by the Chief Executive Officer in Council's



Procurement Manual. The approving officer must confirm compliance with Council's Procurement Policy / Manual and ensure necessary permits / safety arrangements are in place. This decision must be documented.

### **Contract Cost Variations**

- 3.48. All proposed contract cost variations which exceed the total approved contract price require approval at the level of the total revised contract amount, rather than the variation itself, in line with procurement approval levels set in Council's Procurement Manual or any relevant Council resolution. Should the revised contract amount exceed the CEO's delegation, the CEO is authorised by Council to approve any necessary variations to allow the proper fulfilment of the contract and to ensure delays to key projects are avoided, following consultation with the Mayor and subject to this variation being reported to the next practicable Council Meeting.
- 3.49. Any anticipated contingency allocation is to be approved within the original contract approval to ensure the full expected expenditure is being considered. This amount is to be stipulated in contract approval recommendation reports. The contingency amount is to be in accordance with the manual, but may vary for specific contracts.
- 3.50. Latent conditions are specific to construction contracts and are physical conditions that could not reasonably have been anticipated by a competent contractor at the time of tendering. These are a specific cost variation that typically requires rapid consideration and approval. Special clauses for approval communication are included in the Procurement Manual for those latent conditions which exceed contingency amounts for reporting in the next Document Sealed, Awarded or Extended report (of a Council Agenda).

### **Contract Extensions**

- 3.51. Many contracts are awarded on the basis of an initial fixed term with pre-defined extensions to the contract period included subject to mutual agreement and satisfactory performance. The CEO is authorised to enter into each of the contract extensions that were contemplated and approved in the initial contract approval subject to the satisfactory performance of the contractor. The extension must be reported to Council for any contracts which in total exceeds the CEO's delegation.

### **Blanket and Period-based Purchase Orders**

- 3.52. Typical procurement utilising purchase orders requires one or more quotes to support the transparency and veracity of the purchase. Certain circumstances warrant that the most efficient and effective purchasing method is to establish a purchase order covering a period or aggregate quantity of supply. In other cases, a fixed price cannot be established prior to event.
- 3.53. This provision recognises that in these circumstances, obtaining a fixed price quote for supply is not feasible and therefore a purchase requisition can be raised and subsequent purchase order approved without a quote attached on



the proviso that a sound explanation of the reason for the purchase is included in the Justification field of the purchase order and schedule or rates or charges included if available. The approval of the approver confirms that the purchase is within the available budget for that goods or service provision.

### **Procurement with Vendor Provided Terms and Conditions**

- 3.54. For the majority of purchases, SGSC set the terms and conditions of the contract through providing them for acceptance in the tender documentation, or providing them with each purchase order.
- 3.55. Where there are variations to Council's standard terms and conditions, they are to be reviewed by the Procurement team, with legal advice obtained as appropriate. Approval must be sought from the appropriate Council officer (depending on the value and nature of the contract) and supported by the procurement and risk team.
- 3.56. Correspondence between Council officer and the contractor/supplier is to be saved in Council's record management system evidencing the review and approval process.

### **Property Leases Licences**

- 3.57. For a property lease or license to occupy where Council is the lessee:
  - 3.57.1. The approval limits outlined in Section 6 of the Procurement Manual apply to the approval to enter into the lease or license, for the full rental value of the lease or license including rental for any further terms.
  - 3.57.2. The entering into the lease or license is not viewed as the purchase of a service and is therefore not subject to section 108 and 109 of the Act. However, other relevant principles and guidance from the Procurement Policy and Manual must be applied where applicable.
  - 3.57.3. The approval of any further lease or license terms, requires the approval of the Director Sustainable Infrastructure and either the Manager Infrastructure Planning or Coordinator Property. Where the full rental value of the lease or license exceeds the CEO's delegation, the CEO must consult with the Mayor to determine if the approval should be referred to Council for a decision or if the approval can be made by the CEO under delegation (subject to this approval being reported to Council).

### **Exemptions**

- 3.58. The following circumstances are exempt from the general tender, proposal, quotation, and expression of interest requirements. Use of any exemption must be endorsed in accordance with the delegated procurement authority thresholds.



Exemption Name	Explanation, Limitations, Responsibilities and Approvals
<b>A contract made because of genuine emergency or hardship</b>	If there is a state of emergency declared under the <i>Public Health and Wellbeing Act 2008</i> or state of disaster under the <i>Emergency Management Act 1986</i> and the delegate forms the opinion that any meeting of Council which would otherwise determine the issue, take the action or do the act or thing will lapse for want of a quorum may the delegate (following consultation with the Mayor if available and subject to any decision made by the delegate being reported to the next available Council Meeting) award a contract equal to or exceeding the value of \$750,000 (inclusive of GST) to a maximum value of \$3,000,000 (inclusive of GST);
<b>State of emergency or state of disaster</b>	Where the works and/or services are required in response to an emergency event as declared by the CEO and a contract does not exceed the value of \$3,000,000 (inclusive of GST)
<b>A contract made with, or a purchase from, a contract made by another government entity, government-owned entity or other approved third- party</b>	This general exemption allows engagements with contractor(s) who is/are a member(s) of an approved supplier panel (including those formed by Council, MAV, Procurement Australia or a State Purchasing Contract) established in accordance with LGA 2020, for a project that exceeds the threshold for a public tender either a Closed Tender process or the MAV Vendor Panel system should be used, without the need to publicly advertise.
<b>Lack of competition</b>	<p>Where it can be sufficiently demonstrated there is an absence of competition (eg. software licences) or where the required number of quotes was sought but no response was received within the required timeframes. This includes low response through public advertising.</p> <p>Exemption approval is required by the CEO in the instance where it is a sole source supplier.</p>
<b>Extension of contracts while Council is conducting a market tender</b>	<p>Allows the CEO or Director (within delegation limits) to extend an existing contract where the procurement process to replace the contract has commenced, and where the tender process or negotiations will take or have taken longer than expected.</p> <p>This exemption may be used when the establishment of an interim short-term arrangement is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.</p>
<b>Professional services unsuitable for tendering</b>	Including, but not limited to Legal Services, Insurance, purchase of land, electoral or valuation services, Professional membership payments and subscriptions.
<b>Novated Contracts</b>	Where the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party.
<b>Information technology resellers and software developers</b>	Allows Council to renew and extend software licenses, maintenance and support to use or upgrade existing systems, where there is only one incumbent supplier of the software who holds the intellectual property rights to the software and/or it is not practical or cost effective to change or upgrade.



<b>Utility Companies</b>	When utility authorities are required to undertake work on their assets.
<b>Regional Waste Management Groups</b>	Situations where a Regional Waste Management Group constituted under Section 50F of the <i>Environment Protection Act 2017</i> had already conducted a public tender for and on behalf of its member councils.
<b>Contracts for Regional and Public Libraries</b>	This exemption allows Council to enter into agreements with, including the provision of funding to or procuring services from, regional libraries established under section 196 of the <i>Local Government Act 1989</i> and any entity or entities established to replace them to deliver public library services (as required under the <i>Local Government Act 2020</i> .)
<b>Operating Leases</b>	Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the asset.
<b>Statutory Compulsory Monopoly Insurance Schemes</b>	<ul style="list-style-type: none"> <li>• Compulsory Third Party Motor Vehicle Insurance</li> <li>• Work Cover</li> </ul>

### Further guidance

3.59. Should a matter arise that is not covered by this Policy or the relevant Legislation, Standards, Guidelines, other Council Policies or Council's Procurement Manual, the matter must be referred to the Chief Executive Officer to determine the appropriate action.

## 4. RISK ASSESSMENT

This Policy mitigates Council's risks as described below:

### Governance

4.1. The effective management of financial resources and legislative compliance are strategic risks for Council. The establishment and adherence to a Procurement Policy, supporting Procurement Manual, expenditure thresholds and clear accountabilities for managing procurement, are put in place to effectively control these aspects of the broader financial management strategic risk.

## 5. IMPLEMENTATION STATEMENT

### Human Rights Charter

5.1. This Policy has considered the *Charter of Human Rights and Responsibilities Act 2006* in its development.

### Gender Equality

5.2. This Policy has considered the *Gender Equality Act 2020* in its development.

## 6. MONITORING, EVALUATION AND REVIEW

6.1. This Policy will be reviewed and adopted by Council on a four-year cycle.



## 7. REFERENCE DOCUMENTS

Legislative Provisions	Local Government Act 1989 Local Government Act 2020 Freedom of Information Act 1982 Modern Slavery Act 2018 Charter of Human Rights and Responsibilities Act 2006 Competition and Consumer Act 2010 Environment Protection Act 2017
Council Supporting Documents	Code of Conduct for Councillors (C14)/ Employees (CE20) Community Infrastructure Project Management Policy and Guidelines s5 Instrument of Delegation from Council to Chief Executive Officer Fraud and Corrupt Conduct Policy (C19) Human Rights Policy (C52) Meals Alcohol and Gift Policy (CE81) National Competition Policy (CE29) Occupational Health and Safety Policy (CE78) Procurement Manual Public Interest Disclosure Guidelines (CE21) Risk Management Policy (C35)
Related External Documents ( <i>optional</i> )	Department of Planning and Community Development (DPCD) Local Government Procurement Best Practice Guidelines 2013 National Competition Guidelines 2009 Municipal Association Victoria (MAV) Contract Management Guidelines Victorian Competitive Neutrality Policy Victorian Government Purchasing Board Guidelines (VGBP)

## 8. DEFINITIONS

Procurement	Procurement is the process of acquisition of external goods, services and works. This process spans the whole lifecycle from initial concept, through to the end of the useful life of an asset (including disposal) or the end of a service contract. Other definitions, explanations and implementation information applicable to this Policy are contained in the supporting Procurement Manual.
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## 9. REVISION HISTORY

Version	Approved By	Approval Date	Sections Modified	CM9 Ref#
2.0	Council	21 July 2021	Annual Review, in line with new LG Act 2020, new template.	D6786521
2.1	Council	20 July 2022	Annual Review, in line with s5 Instrument of Delegation.	D4339722



## 10. ATTACHMENT SUMMARY

### 10.1. Attachment A: Procurement Thresholds

	Transaction Limited by Holders Purchasing Card	\$0 –\$9,999	\$10,000 – \$49,999	\$50,000 – \$249,999 Goods / Services/ Works	\$250,000 + Goods / Services / Works
<b>Procurement Process</b>	Purchasing Card or Employee Expense Reimbursement	Single Quotation	Quotation	Closed Tender, 3 Quotations <	Open Public Tender <
<b>No quote required</b>	✓	✗	✗	✗	✗
<b>Obtain one written quote</b>	✗	✓	✗	✗	✗
<b>Obtain two written quotes</b>	✗	✗	✓	✗	✗
<b>Seek a minimum of 3 written submissions</b>	✗	✗	✗	✓♦	✗
<b>Public Tender</b>	✗	✗	✗	✗	✓
<b>Evaluated by</b>	✗	Officer, Coordinator or Manager	Officer, Coordinator or Manager	Panel	Panel
<b>Record keeping requirements</b>	Receipts in Oracle -Expenses	Invoice, Receipt or Quote in Oracle - Purchase Requisition	TRIM & Oracle - Purchase Requisition	TRIM, CMS & Oracle - Purchase Requisition	TRIM, CMS & Oracle - Purchase Requisition

- All figures are excluding GST.
- The Procurement Process selected must be approved by the Council Officer authorised under Section 6 of Council’s Procurement Manual, Procurement approval levels.
- Officers are required to seek a minimum of three written submissions. It is recommended to maximise best value that a sufficient number of Request for Tenders (RFT) are sent to prospective suppliers to increase the likelihood that three written submissions are received.
- If doubt exists as to whether the likely value of an intended contract would exceed the threshold for a public tender, then a public tender process should be undertaken.
- When undertaking a joint procurement exercise with another council/s, advertising a public tender is required when the contract that South Gippsland Shire Council is anticipated to enter exceeds the threshold required for a public tender.