



# Policy Register

## PROCUREMENT POLICY

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*This policy is part of a suite of policies adopted by Council or the Executive Management Team (EMT).*

*New or replacement policies can be created and developed within Service Units but can only be added to Council's Policy Register by Governance Services following the approval of the policy by Council or the EMT.*

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## Definitions and Abbreviations

<b>Term</b>	<b>Definition</b>
Act	<a href="#">Local Government Act 2020</a> .
Collaborative Procurement Arrangement	A Tender or Contract established by the Manningham Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV), Eastern Region Group of Councils or local government entity, which aims to achieve better value by leveraging the combined economies of scale provided by multiple participants..
Confidential Information	Information that is confidential and, if released, may prejudice the business dealings or commercial interests of Manningham Council or another party, e.g. prices, discounts, rebates, profits, methodologies and process information, etc.
Contract	An agreement between an external party and an authorised person on behalf of Manningham Council to perform or not perform specific act(s), that is enforceable in law. A Contract may be verbal or written or inferred by conduct.
Contract Management	The process that ensures all parties to a Contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the Contract objectives and provide Value For Money.
Corporate Credit Cards	Credit cards issued by Manningham Council to employees that let them charge their authorized business expenses, in line with relevant policies and procedures.
Council	The elected body of 9 councillors.
Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
Council Staff	Includes all Council officers, temporary employees, contractors, volunteers and consultants while engaged by Manningham Council.
Eastern Regional Group (ERG)	The ERG comprises of 6 Councils including the metropolitan Councils of Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges
Expression of Interest	An Expression of Interest is to gauge interest in tendering. It's an approach to market for organisations or individuals to express an interest in providing particular goods, services or works.
Indigenous Business	As per <a href="#">Supply Nation</a> 's definition, an Indigenous Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s). Supply Nation: a non-profit organisation that aims to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity in Australia
Local Business	A commercial business with an operational premises that is physically located primarily within Manningham Municipality or has its supply chain (material or labour) within the municipality, then broadening to the municipal borders of the 6 Eastern Regional Councils.

<b>Term</b>	<b>Definition</b>
Manningham Council	The entire Manningham City Council organisation, including Councillors and Council Staff.
Northern Councils Alliance (NCA)	The Councils of Banyule, Darebin, Hume, Mitchell Shire Council, Moreland, Nillumbik Shire and Whittlesea.
PCMF	Council's online Procurement and Contract Management Framework (PCMF), which prescribes the processes, templates and guidelines for all stages of the end-to-end Procurement and Contract Management lifecycle.
Probity	In the context of a Procurement process, Probity is a management of defensible process which ensures: <ul style="list-style-type: none"> <li>• compliance with legal obligations;</li> <li>• a fair, impartial and accountable process;</li> <li>• the appropriate management of any conflict of interests;</li> <li>• a transparent process, subject to any confidentiality obligations, and</li> <li>• is able to withstand internal and external scrutiny.</li> </ul>
Probity Advisor	A Probity Advisor is involved in providing advice on issues which may arise, together with advice on strategies to overcome potential problems.
Probity Auditor	A Probity Auditor's role is more generally confined to reviewing all processes and documentation throughout the Tender process and reporting to Council or the CEO after the end of the process.
Probity Plan	A Probity Plan is an important tool which ensures all probity issues associated with a Tender Process are considered, documented and addressed prior to the start of the Tender Process and may cover some or all the following: <ul style="list-style-type: none"> <li>• description of the procurement;</li> <li>• the decision-making process for the procurement;</li> <li>• management of any conflicts of interest;</li> <li>• security and confidentiality of information;</li> <li>• communication with tenderers;</li> <li>• record keeping;</li> <li>• evaluation plan, evaluation criteria and measures.</li> </ul>
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service Contract.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.

<b>Term</b>	<b>Definition</b>
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit an offer by Tender followed by evaluation of submissions and selection of a successful bidder in accordance with pre-determined evaluation criteria.
Total Contract Sum	<p>The potential total value of the Contract including:</p> <ul style="list-style-type: none"> <li>• costs for the full term of the Contract, including any options for either party to extend the Contract, and where there will be more than one purchase from the same supplier for the same type of goods or services, the total of the expected purchases, not the value of each individual transaction;</li> <li>• applicable goods and services tax (GST), and</li> <li>• anticipated contingency allowances or variations, and</li> <li>• all other known, anticipated and reasonably foreseeable costs charged to Manningham Council</li> </ul>
Value For Money	<p>Value For Money in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> <li>• Contribution to the advancement of Manningham Council's corporate strategies and priorities, including the Council Plan, Health and Wellbeing Strategy and other adopted policies;</li> <li>• Non-cost factors such as fit for purpose, quality, service and support, and</li> <li>• Cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.</li> </ul>

## I. PROCUREMENT POLICY

### A. Overview

This Procurement Policy is made under Section 108 of the [Local Government Act 2020 \(the Act\)](#). The Act requires each council to:

- prepare and adopt a Procurement policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services and carrying out of works by the Council, and
- review its Procurement Policy at least once during each 4-year term of the Council.

This Policy has been developed collaboratively by the Eastern Regional Group (ERG) and consulted with Northern Council Alliance (NCA) with a view to facilitating consistent Procurement processes.

### B. Scope

This Policy applies to all contracting and Procurement activities at the Manningham Council and is therefore applicable to Councillors and Manningham Council Staff.

It is recognised this will enhance achievement of the Manningham Council's objectives such as sustainable Procurement, supporting local economies and obtaining Value for Money, leading to a better result in the provision of services for the community.

This Procurement Policy provides direction on the conduct of Procurement activities throughout the sourcing, management and close-out phases. It also covers the general Procurement framework but does not extend to the related accounts payable processes.

The Manningham Council must comply with this Procurement Policy before entering into a Contract for the purchase of goods or services or the carrying out of works.

### C. Objectives

The Procurement Policy will adhere to the requirements of S108 (2) of *the Act* and will:

- seek to promote open and fair competition and provide Value For Money;
- provide clear guidelines to the Manningham Council to allow consistency and control over Procurement activities;
- demonstrate accountability to ratepayers;
- provide guidance on ethical behaviour in public sector Procurement;
- demonstrate the application of best practice in Procurement activities;
- demonstrate the consideration of Sustainability in Procurement with respect to social, economic and environmental factors;
- increase the probability of obtaining the best outcome for the municipal community when procuring goods and services, and
- seek to undertake collaborative Procurement in accordance with Section 5.12

These objectives will be achieved by requiring that the Manningham Council's Procurement and Contract Management activities:

- support the Manningham Council's corporate strategies, aims and objectives;
- span the whole life cycle of an acquisition and take Sustainability considerations into account;
- achieve demonstrable Value for Money;

- are conducted, and demonstrate an impartial, fair and ethical manner;
- seek continual improvement through innovative and technological initiatives, and
- generate and support Local Business wherever practicable.

## **1 POLICY COMPLIANCE AND CONTROL**

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### **1.1 Ethics and Probity**

#### **1.1.1 Requirement**

The Manningham Council's Procurement activities shall be performed in a transparent and ethical manner with demonstrated integrity, fairness and accountability that meets relevant legal requirements.

All Tender processes shall be conducted in accordance with the requirements of this Procurement Policy, all requirements in PCMF, and any relevant procedures, legislation, Australian Standards, and commercial law.

#### **1.1.2 Conduct of Councillors and Council Staff**

Councillors and Manningham Council Staff shall at all times conduct themselves in ways that are in accordance with the Councillor Code of Conduct and the Employee Code of Conduct respectively, and will perform their duties ethically and with integrity.

#### **1.1.3 Conduct of Suppliers**

Manningham Council commits to ethical, sustainable and socially responsible Procurement and expects its suppliers maintain the same values. Manningham Council's suppliers are expected to adhere to the Supplier Code of Conduct (being developed by LGV). When conducting business with or on behalf of Manningham Council, the minimum ethical standards in behaviour are expected of suppliers in the areas of:

- integrity, ethics, and conduct;
- conflict of interest, gifts, benefits, and hospitality;
- corporate governance;
- labour and human rights;
- health and safety, and
- environmental management.

Council's contractual documents should reflect the above expectations.

#### **1.1.4 Conflict of Interest**

Councillors and members of Manningham Council Staff shall at all times avoid situations which may give rise to an actual, potential or perceived conflict of interest.

Manningham Council Staff involved in the Procurement and Contract Management activities, including preparing Tender documentation, writing Tender specifications, opening Tenders, participating in Tender evaluation panels, preparing a recommendation report, and awarding Tenders, must adhere to internal Conflict of Interest procedures and:

- avoid conflicts of interest, whether material or general or actual, potential or perceived;
- all Manningham Council Staff participating in Tender evaluation panels must complete a Conflict of Interest declaration and declare any actual or perceived conflicts in line with Manningham Council's internal processes for reporting conflicts of interest, and
- observe prevailing Manningham Council or Local Government Victoria guidelines on how to prevent or deal with conflict of interest situations and not take advantage of any Tender related information whether or not for personal gain.

#### 1.1.5 Fair and Honest Dealing

All prospective contractors and suppliers must be treated impartially and afforded an equal opportunity to Tender or submit a quotation.

Any suspected improper conduct, including suspected fraud, corruption, substantial mismanagement of public resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with Manningham Council's internal policies and processes and could lead to disciplinary action up to and including the termination of the employment. Any misconduct that is unlawful may also lead to criminal charges and/or civil action.

#### 1.1.6 Probity, Accountability and Transparency

Accountability in Procurement means being able to justify and provide evidence of the process followed. An independent third party must be able to see clearly that a process has been followed and that the process was fair, reasonable and transparent.

Manningham 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.

#### 1.1.7 Gifts and Benefits

The acceptance of gifts or benefits (such as hospitality) from a supplier or prospective Tenderer may give rise to a conflict of interests or perceived conflict of interests.

A Councillor or members of Manningham Council Staff shall act in accordance with the Fraud and Corruption Policy, Councillor Gift Policy and Token Gift Policy.

A Councillor or members of Manningham Council Staff shall not seek or accept any inducements, gifts, benefits or hospitality from current or prospective suppliers during a Procurement or Tender process or in the performance of their duties for Manningham Council.

#### 1.1.8 Disclosure of Information

Confidential Information received by the Manningham Council must not be disclosed and is to be stored in a secure location.

Manningham Council will make every effort to maintain the confidentiality of information provided by existing and prospective suppliers to protect their commercial interests, particularly in relation to commercially sensitive material, including (but not limited to) prices, discounts, rebates, profit, methodology and intellectual property.



Councillors and members of Manningham Council Staff must not discuss existing, past, or proposed Procurement or Tender processes with external parties.

Discussion with potential suppliers during Tender evaluations should not go beyond the extent necessary to clarify 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.

### 1.1.9 Complaints & Reporting Suspicious Activities

#### Complaints Handling

We encourage feedback as a valuable opportunity to review our policies, procedures and practices. We manage complaints about the quality of our actions, decisions made or service provided in line with our Complaints Policy as well as other relevant policies and legislation for specific types of complaints.

#### Reporting Suspicious Activities

All members of Manningham Council Staff, Councilors and Manningham Council suppliers are required at all times to act honestly and with integrity. Manningham Council is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal benefits (financial or otherwise).

Manningham Council will take all reasonable steps to protect those who assist Manningham Council by providing information about suspected fraud. This will include confidentiality of identity and protection from harassment in accordance with the *Public Interest Disclosures Act 2013*, and Council's Public Interest Disclosure Procedures, which are available on the Council website.

Suspected improper conduct, offers of bribes, commissions and any other irregular approaches from existing or prospective suppliers and their associates will be investigated and reported in accordance with Manningham Council's policy and processes.

The CEO must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring or having occurred in accordance with mandatory reporting requirements under the *Independent Broad-based Anti-Corruption Commission Act 2011*.

## 1.2 Governance

### 1.2.1 Procurement Principles

Manningham Council will apply the following fundamental best practice principles to Procurement, irrespective of the value and complexity of that Procurement:

- Value For Money
- Open and Fair competition
- Accountability
- Risk Management

- Probity and Transparency
- Sustainable and social Procurement objectives

### 1.2.2 Methods

Manningham Council's Procurement activities shall be carried out in accordance with applicable professional standards, in accordance with best practice and in compliance with the Act and applicable policies and procedures listed in this Policy.

The Manningham Council's standard methods for procuring goods, services and works shall be by any of the following:

- purchase order following a quotation from suppliers for goods or services that represent best Value for Money under the Procurement thresholds set out in Section 2. An approved purchase order must be created prior to committing expenditure on behalf of Manningham Council for the provision of services, goods or works in accordance with the Manningham Council's Procurement thresholds and guidelines;
- under Contract following a quotation or Tender process;
- using Collaborative Procurement Arrangements;
- multi-stage Tenders commencing with an expression of interest (EOI) followed by a Tender process;
- under an exempted arrangement in line with the conditions in Section 2.3 and 2.4;
- corporate Credit Cards, and
- other arrangements as authorised by Manningham Council, or under appropriate delegated authority on a needs basis, or as required by abnormal circumstances such as emergencies.

### 1.2.3 Dual Authorisation of Expenditure

All purchase orders and invoices for payment must have two officers approve each transaction. The final approving officer must have an expenditure authority limit that is equivalent to or higher than the purchase amount.

### 1.2.4 Responsible Financial Management

The principle of responsible financial management shall be applied to all Procurement activities. Accordingly, to give effect to this principle, the availability of existing funds within an approved budget or source of funds shall be established prior to the commencement of any Procurement action for the supply of goods, services or works.

Manningham 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 within an allocated budget, and without compromising any of the Procurement principles set out in this Policy.

## 1.3 Internal Controls and Compliance Management

The CEO will install and maintain a framework of internal controls over Procurement processes that will ensure:

- more than one person is involved in and responsible for the authorisation of a transaction from end to end;
- transparency in the Procurement process;

- a clearly documented audit trail exists for Procurement activities;
- appropriate authorisations are obtained and documented;
- systems are in place for appropriate monitoring and performance measurement, and
- a process is in place for escalation, where appropriate, of Procurement matters (including procedural non-compliance) to the Executive Leadership Team, the Audit and Risk Committees and Council.

Compliance will be monitored by the Manningham Council's Procurement Team and Risk Management Team, and minor issues identified will be addressed by Manningham Council Staff in leadership positions. Manningham Council conducts independent reviews of Procurement practices on a regular basis. Where required, serious compliance issues will be reported by the CEO, Audit and Risk Committee and Council.

In all cases, Manningham Council Staff are responsible for complying with the Policy. Non-compliance with the Policy may result in disciplinary action up to and including termination of employment. Any misconduct that is unlawful may also lead to criminal charges and/or civil action.

## 2 PROCUREMENT THRESHOLDS AND METHODOLOGY

### 2.1 Procurement Thresholds

Section 108 of *the Act* details that each Council will set the public Tender threshold circumstances when Tenders or expressions of interest for Contracts must be publicly invited.

Manningham Council will invite Tenders, proposals, quotes and expressions of interest from the supply market for goods, services, building and construction works in accordance with the thresholds listed in table below.

Total Contract Sum	Minimum Selection Method	Comments
Up to \$999.99	<ul style="list-style-type: none"> <li>• Obtain one verbal or written Quote</li> <li>• Where possible, seek quote from a Local Business whilst always ensuring Value For Money outcomes</li> </ul>	Purchase Order optional
\$1000 up to \$4,999.99	<ul style="list-style-type: none"> <li>• Obtain one written quote in any format</li> <li>• Where possible, seek quote from a Local Business whilst always ensuring Value For Money outcomes</li> </ul>	Purchase Order mandatory for all purchases \$1000 and over unless it is an exempt purchase (see Section 2.5)

<p>\$5,000 to \$14,999.99</p>	<ul style="list-style-type: none"> <li>• Obtain at least one written quote</li> <li>• Where possible, seek quote(s) from Local Businesses whilst always ensuring Value For Money outcomes</li> </ul>	<p>PCMF Templates and Processes must be followed</p>
<p>\$15,000 to \$149,999.99</p>	<ul style="list-style-type: none"> <li>• At least three written quotes are to be invited from suppliers who are considered able to meet the requirements.</li> <li>• Where only one quote is received from those invited, Value for Money must be demonstrated.</li> <li>• Where possible, seek quote(s) from Local Businesses whilst always ensuring Value For Money outcomes</li> </ul>	<p>PCMF Templates and Processes must be followed</p>
<p>\$150,000 to \$249,999.99</p>	<ul style="list-style-type: none"> <li>• Undertake a formal Request for Quote process by following the PCMF process within Manningham Council's e-Tendering Portal.</li> <li>• At least three written quotes are to be invited from suppliers who are considered able to meet the requirements.</li> <li>• Where only one quote is received from those invited, Value for Money must be demonstrated.</li> <li>• Where possible, seek quote(s) from Local Businesses whilst always ensuring Value For Money outcomes</li> </ul>	<p>The Procurement Unit to coordinate any purchases of \$150,000 and higher.</p>
<p>\$250,000 and over</p>	<p>A public Tender process is required for goods, services or works where Total Contract Sum is expected to exceed \$250,000.</p>	

When applying the procurement thresholds illustrated in the table above, the following must be strictly adhered to:

The Total Contract Sum, being the potential total value of the Contract including:

- costs for the full term of the Contract, including any options for either party to extend the Contract;

- applicable goods and services tax (GST);
- anticipated contingency allowances or variations, and
- all other known, anticipated and reasonably foreseeable costs charged to Manningham Council

## 2.2 Cumulative Spend

Care must be taken to ensure that Manningham Council complies with its Procurement obligations in circumstances in which cumulative purchase and subsequent payments are made to a single supplier, or to multiple suppliers in respect of similar goods, services or works, and the value of those payments meet or exceed the thresholds set out in this Policy.

Manningham Council should, wherever possible, leverage this cumulative spend, rather than treating each discrete arrangement as a separate Procurement, to achieve greater Value for Money. This might occur by bundling future transactions into one, more substantial Tender, which attracts more competitive pricing.

More guidance on cumulative spend can be found in PCMF.

### 2.2.1 Manningham Council must proactively identify opportunities for aggregation

The likely total cumulative value of a Procurement activity, or a category of activity for which there are a number of suppliers providing similar goods, services or works, must be considered during the planning phase of a Procurement.

If, during the planning phase for a proposed Procurement, an ongoing or recurring need is identified, and the foreseeable value of the Procurement activity is likely to meet or exceed the Tendering threshold set out in Section 2.1, Manningham Council must commence a public Tender process to ensure that Manningham Council achieves Value for Money.

### 2.2.2 Contract splitting prohibited

The length and value of a Contract must be determined in good faith and optimised having regard to Manningham Council's needs and the scope of the goods, services or works to be procured.

Under no circumstances are purchases or orders to be split so that the total value of the Procurement activity falls under the amount of the individual's authority level or so that the value falls under the applicable threshold.

## 2.3 Exemptions from Seeking Minimum Three Quotations

Manningham Council officers may seek exemptions from a minimum three quotes process, where one or more of the following circumstances apply (the circumstances must be documented):

- a) there is a sole supplier of a particular product or specialized service;
- b) where there is a technical requirement to integrate with an existing operating environment;
- c) the purchase involves the sole source of, or access to, particular intellectual property;
- d) the product, service or work is an extension of previous work undertaken by the supplier and the Manager/Group Manager/Director is satisfied that the background knowledge, site knowledge or capability to match the product justifies obtaining only one quotation and that the quotation is competitive;
- e) the purchase is for a matter of emergency, urgent public health, security or safety, and

- f) one of more circumstances listed in Section 2.4.

Manningham Council Officers wishing to access an exemption from quotation requirements must complete a Report Seeking Exclusion from Competitive Quote Form. These exemptions must be facilitated and endorsed by the Procurement Unit and approved by Directors and above. Upon approval of the exemption, the required workflow and templates in PCMF are to be followed.

## 2.4 Exemptions from Tendering

The following circumstances potentially meet the criteria of applying for an exemption from the general Tender requirements. This exemption process, with the proposed alternative Procurement strategy must be facilitated and endorsed by the Procurement Service Unit and Executive Management Team prior to seeking approval from the CEO.

Upon approval of the exemption, the required workflow and templates in PCMF are to be followed.

Exemption Description	Explanation, limitations, responsibilities and approvals
1. A Contract made because of genuine emergency or disaster	<ul style="list-style-type: none"> <li>Where the Council or CEO has resolved that the Contract must be entered into because of a declared emergency or disaster.</li> </ul>
2. A Contract made with, or a purchase from a Contract made by, another government entity, government-owned entity or other approved third party	<ul style="list-style-type: none"> <li>This general exemption allows engagements with another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government where the Contracts were entered into by complying with the Act.</li> <li>Contracts and arrangements established by another government entity, local authority or local government council(s), Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA), Regional Waste Management Group, etc. and where such Contracts were entered into by undertaking a public Tender process.</li> </ul>
3. Proven Monopoly Market	<ul style="list-style-type: none"> <li>Statutory Compulsory Monopoly Insurance Schemes, such as Work Cover and motor vehicle compulsory third party</li> <li>Other statutory bodies, such as water, legislatively required services</li> <li>When supply of goods, services or works can only be sought from a monopoly supplier</li> </ul>

Exemption Description	Explanation, limitations, responsibilities and approvals
4. Professional services unsuitable for Tendering	<ul style="list-style-type: none"> <li>• Legal Services</li> <li>• The issuing of insurances (exclusive of insurance brokerage services)</li> </ul>
5. Select Tender from pre-qualified registers or panels by another government entity	<ul style="list-style-type: none"> <li>• Construction Supplier Register</li> <li>• Marketing Services Register</li> <li>• IT Infrastructure Register</li> <li>• E-services Register</li> </ul> <p>These are State Purchase Registers set up by Victorian State Government, details can be found on <a href="#">Buying for Victoria</a> website.</p>
6. Adverse effect on Value For Money or public interest	<ul style="list-style-type: none"> <li>• Where the Council or the CEO considers that the nature of the Procurement and the characteristics of the market are such that the public Tender process would lead to Manningham Council achieving lesser Value For Money or adverse effect on public interest</li> </ul>
7. Novated Contracts	<ul style="list-style-type: none"> <li>• Where the initial Contract was entered into in compliance with this Policy and appropriate due diligence has been undertaken in respect to the new party</li> </ul>

## 2.5 Exemptions from Raising Purchase Orders

The following expenditure types are exempt from the requirement to raise a purchase order (but they must still follow the Procurement Thresholds in Section 2.1 and existing authorisation operating procedures):

- where the value of the items at or below \$999.99 inclusive of GST;
- where a purchase is made using a Corporate Credit Cards, and
- where the transaction is one of the following types:
  - Staff salaries or wages;
  - Temporary staff;
  - Taxation;
  - Superannuation and WorkCover;
  - Payroll deductions;
  - Investments/term deposits;
  - Payments to statutory authorities including legislatively required audits such as VAGO;
  - Telephone rentals and charges;
  - Couriers;
  - Utilities;

- Half-cost fencing;
- Subscription, License (including IT License) and Membership renewals;
- Warranty renewals;
- Cab charges;
- Conferences, seminars and travel arrangements;
- Councillors and Mayoral allowances;
- Grants;
- Fees paid to committee members;
- Services from Australia Post;
- Insurance Expenses, and
- Legal Expenses.

### 3 DELEGATION OF AUTHORITY

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Delegations define the limitations within which Manningham Council Staff are permitted to commit Manningham Council expenditure for the Procurement of goods, services or works. The Instruments of Delegation allow specified Manningham Council Staff to undertake certain purchases, quotation, Tender and contractual processes under delegation. This enables the Manningham Council to conduct Procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Council and the Chief Executive Officer have delegated responsibilities relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotations and Tenders and for Contract Management activities.

Subject to consideration of the Total Contract Sum and cumulative spend (see Section 2.2), Manningham Council Officers may approve expenditure with the following limits:

Manningham Council Officer	Total Contract Sum
Coordinators	\$15,000
Service Unit Manager	\$150,000
Group Manager	\$250,000
Director	\$500,000
Chief Executive Officer	\$5,000,000

The Chief Executive Officer may approve additional sub-delegations to individual officers where operational circumstances require this authority however, any additional delegation must not exceed the Chief Executive Officer's authority.

### 4 DEMONSTRATE SUSTAINED VALUE

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#### 4.1 Achieving Value For Money

##### 4.1.1 Requirement

The Manningham Council's Procurement activities will be carried out on the basis of obtaining Value for Money. Lowest price is not the sole determinant of Value for Money.

##### 4.1.2 Approach

This will be facilitated by:



- achieving continuous improvement in Procurement activity in accordance with the direction set out in PCMF;
- effective use of competition;
- using existing Manningham Council contractual arrangement or Collaborative Procurement Arrangements where appropriate;
- identifying and rectifying inefficiencies in Procurement processes;
- developing cost efficient quotation and Tender processes, and
- working with suppliers to create relationships that are professional, productive, and are appropriate to the value and importance of the goods, services and works being acquired.

## 4.2 Sustainable Procurement

Sustainable Procurement involves decision making that has the most positive environmental, social and economic impacts possible across the entire lifecycle of goods, services and works. The United Nations Environment Programme defines sustainable Procurement as a “process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves Value for Money on a whole of life basis in terms of generating benefits not only the organisation, but also to society and the economy whilst minimising damage to the environment.”

Sustainability will be embedded in Manningham Council's work. Manningham Council commits to applying the principles of Sustainability to all of its decision-making and activities.

Manningham Council demonstrates Sustainability in Procurement by:

- assessing the impact of its Procurement activities on society, the economy and the environment
- examining anticipated organisational, project and community needs;
- continually improving Sustainability specifications, practices and outcomes, and
- planning and undertaking Sustainability evaluations as part of contracting activities.

### 4.2.1 Economic Sustainability (Buy Local)

#### 4.2.1.1 Objectives

Manningham Council's economic sustainability approach aims to:

- achieve Value For Money on a Total Contract Sum basis, rather than just initial cost;
- consider broader life cycle impacts of products procured;
- source locally where possible, and
- build relationships with Local Businesses and encourage procuring from local suppliers to help build their capacity.

#### 4.2.1.2 Principles

Manningham Council is committed to Procurement that supports Local Business and economic diversity.

Where practicable and applicable Manningham Council will give preference to goods

manufactured or produced in Australia and will actively seek quotations and Tenders from Local Businesses.

Manningham Council's economic procurement sustainability will be underpinned by the following principles:

- ensuring Value for Money (VFM) outcomes;
- ensuring open and effective competition, and development of competitive Local Business and industry;
- fostering innovation and emerging sectors, and
- considering life cycle costs.

#### 4.2.2 Environmental Sustainability

##### 4.2.2.1 Objectives

Manningham Council's environmental sustainability and approach aims to:

- improve energy efficiency, lead on renewable energy and reduce greenhouse gas emissions;
- protect and enhance the natural environment and biodiversity;
- improve water Sustainability;
- reduce air, water, land and soil pollution, and
- minimise the waste and increase use of recycled and sustainable products and materials to:
  - reduce demand for raw materials and non-renewable resources, and
  - close the loop on kerbside recycling.

##### 4.2.2.2 Principles

Where applicable Manningham Council will purchase goods, services and works that improve environmental sustainability, as outlined above, whenever they present an acceptable Value for Money outcome.

Manningham Council's environmental procurement will be underpinned by the following principles:

- considering a product or asset's lifecycle;
- promoting circular economy participation;
- managing demand to reduce Procurement requirements;
- encouraging innovation through specifications, and
- engaging suppliers who are also committed to reducing their environmental impact.

#### 4.2.3 Social Sustainability

##### 4.2.3.1 Objectives

Manningham Council's social sustainability approach aims to:

- ensure vendors do not exploit workers and provide fair wages, including inclusive business practices;

- increase employment opportunities for indigenous people, people with a disability, disadvantaged people and long term unemployed;
- promote gender equality and diversity within supplier businesses, and
- act to address modern slavery practices from Manningham Council's supply chain, where this is identified.

#### 4.2.3.2 Principles

Manningham Council is committed to building stronger communities and meeting social objectives which benefit the municipality and commits to integration of measures in its Procurement processes and documentation which promote improved social outcomes.

Manningham Council's social sustainability will be underpinned by the following principles:

- a thorough understanding of the socio-economic issues affecting the community;
- where practical, address local socio-economic issues through Procurement and Contract Management activities, and
- promotion of equity, diversity and equal opportunity

## 5 FRAMEWORK

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### 5.1 Treatment of GST

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

### 5.2 Procurement and Contract Management Framework

Manningham Council has an online Procurement and Contract Management Framework (PCMF) which prescribes the processes, templates and guidelines for all stages of the end-to-end Procurement and Contract Management lifecycle. Manningham Council commits innovation and continuous improvement to PCMF. It is a requirement that all Procurement must be conducted within PCMF, which include all Request for Quotes (RFQs), Tenders and all Contract Management, including contract variations.

Manningham Council Staff who undertake Procurement and Contract Management activities are required to be equipped with proficient understanding of the contents contained in PCMF and Contract Management System prior to undertaking Procurement and Contract Management activities.

### 5.3 Public Tender Requirements

All public Tenders invited by the Manningham Council, must be published by any method including via Manningham Council's e-Tendering Portal.

Information regarding current Tenders and awarded Tenders are published on Manningham Council's website.

A Tender evaluation panel is established to evaluate each Tender submission against the Tender's selection criteria. Tender evaluation process and guidelines are detailed in Manningham Council's PCMF and must be adhered to.

#### 5.4 Probity Plan

A Probity Plan must be prepared and implemented when:

- the expected Total Contract Sum is above \$2,000,000, or
- the purchase is highly complex, or of a high risk or controversial nature, or
- requested by the Chief Executive Officer or a Director

The Probity Plan is to be reviewed and approved by the relevant Director and Manager Procurement and Contracts. The approval process includes whether a Probity Advisor and/or a Probity Auditor is to be appointed for the Procurement process.

The appointment of a Probity Advisor and/or Probity Auditor needs to be considered early on in the project life and well before the Tendering phase.

#### 5.5 Shortlisting and Negotiations

Manningham Council may conduct a shortlisting process during Expression of Interest, Tender and quotation processes. Shortlisting is based on the advertised selection criteria in pursuit of the most advantageous outcome for the Manningham Council.

Shortlisted Tenderers may be invited by the Manningham Council to submit a best and final offer in relation to all or certain aspects of their respective Tenders, in accordance with the conditions of tendering set out in Council's Tender documents

#### 5.6 Risk Management

Manningham's risk management policy framework and processes are to be applied in the Procurement and Contract Management life cycle, to ensure that risks are identified, assessed and managed to minimise unexpected or undesirable outcomes. Procurement and Contract risks include but are not limited to fraud and corruption, overspend and increased costs, public safety and work, health and safety, poor specification, supply chain delay, unfunded liability exposure and contractor failure etc.

For general risk assessment and control refer to Manningham Council's Strategic and Operational Risk Framework and Risk Registers.

#### 5.7 Contract Management and Quality Control

In order to continually improve its outcomes, Manningham Council will evaluate and achieve ongoing value through effective Contract Management, in accordance with the Procurement tools and procedural guidelines located in PCMF.

Manningham Council Staff are responsible for the delivery of the contracted goods, services or works to ensure the Manningham Council and therefore the community, receives Value for Money. Council Staff work closely with all parties to ensure goods, services or works are delivered to the required standards of quality and quantity as intended by the contract through:

- establishing a system monitoring and achieving the responsibilities and obligations of all parties under the contract;
- providing a means for the early recognition of issues and performance problems and the identification of solutions, and
- adhering to the Manningham Council's risk management framework and relevant Occupational Health and Safety and sustainability requirements.

## 5.8 Dispute Resolution

All Manningham Council Contracts incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating to legal action.

## 5.9 Contract Variations

All Contract variations must be assessed by the responsible Contract manager to determine whether they are properly characterised as variations, or whether they are in effect a new Contract. Legal advice should be sought to clarify any uncertainty.

## 5.10 Managing Suppliers

Manningham Council recognises the importance of effective and open working relationships with its suppliers and is committed to managing existing suppliers via performance measurements to ensure the benefits negotiated through Contracts are delivered.

## 5.11 Supply Market Development

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

- green suppliers;
- Local Businesses;
- small to medium sized enterprises (SMEs);
- social enterprises;
- ethnic and minority businesses (e.g. Indigenous Business), and
- voluntary and community organisations.

## 5.12 Collaborative Procurement Arrangements

In accordance with Section 108 (c) of *the Act*, the Council will first give consideration to collaboration with other Councils and public bodies or utilise Collaborative Procurement Arrangements, when procuring goods, services and works in order to take advantage of economies of scale.

Manningham Council Staff must consider any opportunities for Collaborative Procurement. Any Tender award report that recommends entering into a contractual arrangement must set out information relating to opportunities for a Collaborative Procurement Arrangement, only if available, including:

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

Manningham Council specific construction / works projects, where the specifications of the works required are unique to an individual Manningham Council site and are not applicable to the other Councils will, for instance, not be considered for collaboration.

### 5.13 In-Kind Contributions

An in-kind contribution is defined as a donation of goods, materials, services, time or expertise, by a community group or club that assists a tenderer to deliver their contractual obligations to Manningham Council. Where a community group or club wishes to provide an in-kind contribution to a Manningham Council funded project, and the value of the project is such that Manningham Council's policy requires a competitive arrangement, then the community group or club may elect to either:

- tender direct to Manningham Council for the entire project (noting that Manningham Council's conditions of contract and protocols will apply), or
- engage with the tenderer(s) for the provision of the in-kind contribution for the project and the tenderer submits the Tender to Manningham Council.

In either scenario the tenderer must be capable of performing the work. This would include having the required skills, regulatory registrations and financial capacity to undertake the works. The tenderer will be assessed on their ability to complete the project to the satisfaction of Manningham Council within the Contract price, and in doing so will bear total contractual liability for the delivery of the project including the in-kind contribution.

## 6 RELATED POLICIES

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- Manningham Council's Strategic and Operational Risk Framework and Risk Registers
- Municipal Emergency Management Plan (MEMP)
- Councillor Code of Conduct
- POL/361 Corporate Credit Card Policy
- POL/496 Employee Code of Conduct
- POL/238 Disciplinary Policy
- POL/483 Fraud and Corruption Policy
- POL/556 Councillor Gift Policy
- POL/522 Token Gift Policy

## 7 SUPPORTING PROCEDURES AND GUIDELINES

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- Manningham Council's Procurement and Contract Management Framework (PCMF)
- Preface to New Best Practice Procurement Guidelines
- Victorian Local Government Best Practice Guidelines 2013
- Complaints Handling Procedures
- Reconciliation Action Plan
- LGA 2020 - Confidential Information (D20/58035)

## 8 RELATED LEGISLATION

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- *Occupational Health and Safety Act 2004*
- *Gender Equality Act 2021*
- *Fair Work Act 2009*
- *Local Government Act 1989*
- *Local Government Act 2020*
- *Environment Protection Act 2017*
- *Competition and Consumer Act 2010*
- *Emergency Management Act 1986*
- *Emergency Management Act 2013*

**9 DOCUMENT HISTORY**

<b>Last Updated</b>	<b>Meeting type? - Council or EMT</b>	<b>Meeting Date</b>	<b>Item N°</b>
October 2021	CEO Authorisation	N/A	N/A
August 2021	Council	24 August 2021	12.1
April 2021	MEMO to CEO	N/A	N/A
November 2020	EMT	25 November 2020	5.1
July 2020	Council	28 July 2020	12.3
June 2019	Council	25 June 2019	TBA
June 2018	Council	26 June 2018	13.3
Feb 2017	Council	21 February 2017	13.2
July 2015	Council	28 July 2015	12.4
June 2014	Council	24 June 2014	12.4
June 2013	Council	25 June 2013	12.3
June 2011	Council	28 June 2011	12.1
June 2010	Council	29 June 2010	12.6
October 2009	Council	27 October 2009	12.1
June 2004	Council	29 June 2004	12.1