

Procurement Policy

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Policy statement

Council is committed to adopting appropriate best practice purchasing and contracting principles, policies, and procedures for the procurement of all goods, services and works.

It is recognised this will enhance achievement of Council objectives such as sustainable and socially responsible procurement, supporting local economies and obtaining value for money. These lead to a better result for the City of Whittlesea in the provision of services for the community.

Principles

This Policy is informed by:

- The Municipal Association of Victoria Model Procurement Policy
- The good practice guide titled “Public Sector Procurement: Turning Principles into Practice” published by the Victorian Auditor-General’s Office, and
- The Victorian Local Government Best Practice Procurement Guidelines
- Recommendations of the Victorian Independent Broad-based Anti-corruption Commission.

Objectives

The procurement policy will:

- Provide policy and guidance to the City of Whittlesea 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 elements of best practice in procurement
increase the probability of obtaining the Best Value outcome (as defined in the [Local Government Act 1989](#)) when procuring goods, services and works.

These objectives will be achieved by requiring that the City of Whittlesea’s contracting, purchasing and contract management activities:

- Support the City of Whittlesea’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 and quality

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- Are conducted, and are seen to be conducted, in an impartial, fair and ethical manner
- Seek continual improvement through innovative and technological initiatives
- Generate and support business in the local community wherever practicable.

Context/Rationale

This Procurement Policy is made under Section 186A of the [Local Government Act 1989](#). This section of the Act requires councils 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.

This Policy applies to all contracting and procurement activities at the City of Whittlesea and is applicable to Councillors, Council officers and temporary employees, contractors and consultants while engaged by the City of Whittlesea.

Scope

The procurement policy provides direction on the conduct of procurement activities throughout the sourcing, management and disposal phases. It also covers the general procurement framework but does not extend to the related accounts payable processes.

If a regional procurement policy that applies to the City of Whittlesea is adopted, that policy shall take precedence whenever collaborative procurement activity is undertaken within the region.

Measurement

The outputs and outcomes related to this Policy will be assessed according to the tools available through Council's Evaluation Framework and reported back to Council.

Key linkages

All City of Whittlesea policies comply with the *Victorian Charter of Human Rights and Responsibilities*.

This policy has clear linkages to a range of codes, charters, legislation and Council documents:

- [Local Government Act 1989](#)
- [Competition and Consumer Act 2010](#)
- City of Whittlesea Procurement Procedures and Guidelines
- City of Whittlesea Purchasing and Accounts Payable Manual
- City of Whittlesea Codes of Conduct and Disciplinary Policy
- City of Whittlesea Performance Improvement Policy

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- [MAV Procurement Contract Management Guidelines](#)
- Australian Standard Code of Tendering (AS 4120—1994)
- [Council's Stretch Reconciliation Action Plan 2017-2020](#)

This policy will help guide Council's work delivered through City of Whittlesea's:

- Council and Community Vision ([Whittlesea 2040 – A place for all](#))
- Strategic Procurement Plan
- [Environmental Sustainability Strategy 2012-2022](#)

Procedures

1 Preliminaries

1.1 Definitions and Abbreviations

Term	Definition
Act	Local Government Act 1989 .
Aggregated Purchasing Contract	A contract established by the City of Whittlesea, government or a nominated agent for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
City of Whittlesea	This is the entire organisation, including all staff and elected representatives.
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party, e.g. prices, discounts, rebates, profits, methodologies and process information, etc.
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.
Contract Management System	The electronic suite of software applications used by the City of Whittlesea Staff to issue tenders, communicate with suppliers and to perform all actions relating to the establishment and management of contracts.
Council	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, contractor and consultants while engaged by Council
Indigenous business	As per Supply Nation's definition, an Indigenous business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s).

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Local Business	A commercial business with an operational premises that is physically located within the municipal borders of the City of Whittlesea
Probity	Within government, the word "probity" is often used in a general sense to mean "good process". A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the City of Whittlesea's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
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.
Schedule of Rates Contract	A standing offer arrangement based on a Schedule of Rates contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit a quotation by tender followed by evaluation of submissions and selection of a successful bidder or tenderer in accordance with pre-determined evaluation criteria.
Total Contract Sum	The potential total value of the contract including any requested and approved allowance for variations but excluding pending extension options.
Value for Money	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: <ul style="list-style-type: none"> • Contribution to the advancement of Council's priorities • Non-cost factors such as fitness for purpose, quality, service and support • Cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

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1.2 Treatment of GST

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

2 Effective Legislative and Policy Compliance and Control

2.1 Ethics and Probity

2.1.1 Requirement

The City of Whittlesea's procurement activities shall be performed in an open and transparent manner with demonstrated integrity, fairness and accountability that meets or exceeds proper ethical expectations and all legal requirements.

2.1.2 Conduct of Councillors and Council staff

Council staff who are responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising. Councillors and Council staff shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and will:

- Treat potential and existing suppliers with equality and fairness
- Not seek or receive personal gain
- Maintain 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.

2.1.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy, relevant legislation and processes detailed in the City of Whittlesea's approved procurement procedures.

2.1.4 Conflict of Interest

Council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their official duties.

Council staff involved in the procurement process, in particular preparing tender documentation, writing tender specifications, opening tenders, participating in tender evaluation panels, etc. and Councillors and Council staff awarding tenders must:

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- **Avoid** conflicts, whether actual, potential or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of Councillors, Council staff and their family members;
- **Declare** that there is no conflict of interest. Where future conflicts or relevant private interests arise, Council staff must declare any conflict to the CEO. Where actual conflict of interest is confirmed, the relevant staff must be removed from decision making in the procurement process; and
- **Observe** prevailing Council and Government 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.

2.1.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender. Impartiality must be maintained throughout the procurement process so it can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected. 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, methodology and intellectual property.

2.1.6 Accountability and Transparency

Accountability in procurement means being able to justify and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore the processes by which all procurement activities are conducted will be in accordance with the City of Whittlesea's procurement policies and procurement procedures. Additionally:

- All Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the City of Whittlesea and maintain appropriately detailed and accurate records in accordance with associated procurement procedures and legislative requirements
- All procurement activities are to provide for an audit trail for monitoring and reporting purposes.

2.1.7 Gifts and Benefits

No member of Council staff shall seek or accept any immediate or future reward or benefit in return for the performance of any duty or work for the City of Whittlesea or where it could be reasonably perceived as influencing them or their position.

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Any gift or benefit offered to a Councillor or staff member will be dealt with in accordance with the requirements of the relevant Code of Conduct.

Offers of bribes, commissions or other irregular approaches from organisations or individuals must be promptly brought to the attention of the CEO and Council.

2.1.8 Disclosure of Information

Commercial in-confidence information received by the City of Whittlesea must not be disclosed and is to be stored in a secure location.

Councillors and Council staff must take all reasonable measures to maintain confidentiality of:

- Information disclosed by organisations in tenders, quotation or during tender negotiations
- All information that is Commercial in Confidence information
- Pre-contract information including, but not limited to, information provided in tenders or subsequently provided in post-tender negotiations.

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

Discussion with tenderers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by any tenderer.

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 post-tender negotiations as outlined in the City of Whittlesea's procurement procedures or guidelines.

2.2 Governance

2.2.1 Structure

Council has delegated a range of powers, duties and functions to the CEO in relation to procurement. The CEO shall:

- Maintain a procurement management responsibility structure and delegations ensuring accountability, traceability and auditability of all procurement decisions made over the lifecycle of all goods, services and works procured by the City of Whittlesea
- Report to Council annually on the implementation, review and general compliance with the Procurement Policy
- Ensure that the City of Whittlesea's procurement structure operates according to processes that:

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- Are flexible enough to purchase in a timely manner the diverse range of goods, works and services required by the City of Whittlesea
- Guarantee that prospective contractors and suppliers are afforded an equal opportunity to tender
- Encourage competition
- Ensure policies that impinge on the purchasing policies and practices are communicated and implemented.

The City of Whittlesea operates a centre-led procurement structure wherein all strategy, policy, technology, best practice and networking in procurement matters will be coordinated by the Procurement Team which is within the Corporate Accountability and Performance Department in the Corporate Services Directorate.

2.2.2 Standards

The City of Whittlesea's procurement activities shall be carried out to the professional standards in accordance with best practice and in compliance with:

- The Act
- Applicable policies and procedures
- Codes of Conduct for Councillors, Staff and Others
- Other relevant legislative requirements including the [Competition and Consumer Act 2010](#).

Compliance will be monitored by the City of Whittlesea's Procurement Team and minor issues will be appropriately addressed by Council staff in leadership positions. Where required, serious compliance issues will be reported by the CEO to the Audit and Risk Committee and Council.

2.2.3 Methods

The City of Whittlesea's standard methods for purchasing goods, services and works shall be by any of the following:

- Purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds
- Under contract following a quotation or tender process
- Using Aggregated Purchasing Contracts

unless other arrangements are authorised by Council or under appropriate delegated authority on a needs basis as required by abnormal circumstances such as emergencies.

The City of Whittlesea may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders. Typically a multi-stage tender process will

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commence with an expression of interest stage followed by a tender process involving the organisations selected as a consequence of the expression of interest stage.

Additionally, for highly complex projects the City of Whittlesea may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by the City of Whittlesea. Such sequential tenders may or may not be preceded by the expression of interest phase.

2.2.4 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.

Council staff must only authorise the expenditure of funds within their financial delegations. City of Whittlesea 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.

2.3 Procurement Thresholds and Competition

Wherever it would likely achieve best value, procurements will be arranged under a relevant Aggregated Purchasing Contract or Schedule of Rates Contract that was established in accordance with section 186 of the [Local Government Act 1989](#).

In every procurement activity all practicable efforts will be made:

- To identify potential Local Businesses that may have the capability and capacity to provide suitable works, goods or services
- To request at least one quotation from a Local Business.

A contracted schedule of rates or a written advertised price is considered to be a written quotation.

Obtaining sufficient quotations can sometimes be difficult, e.g. if there are few suppliers for the goods, services or works being sought or where the work is highly specialised. In such a case a Department Manager may waive the requirement to request three quotations or tender offers.

2.3.1 Quotation Threshold

A range of quotation thresholds will apply and procurement transactions will not be split to circumvent those thresholds.

For procurements valued below \$5,000:

A minimum of one written or verbal quotation shall be obtained. After considering cost and risk the purchase shall be arranged via the most appropriate procurement option.

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For procurements valued from \$5,000 to less than \$25,000:

A minimum of one written quotation shall be obtained. After considering cost and risk the purchase shall be arranged via the most appropriate procurement option.

For procurements valued from \$25,000 to less than \$50,000:

A minimum of three written quotations shall be requested and a standard purchase order will be issued.

For procurements valued from \$50,000 to the public tender threshold:

A minimum of three written tenders shall be requested and the procurement shall be arranged under a contract established via a selective Tender Process.

2.3.2 Tender Process

Tenders will be conducted in accordance with the City of Whittlesea's approved procurement procedures and invited from a sufficient number of contractors, service providers or suppliers such that there is a reasonable prospect of obtaining a minimum of three tender offers. The process involves the issue of City of Whittlesea's standard Request for Tender (RFT) documentation and requires:

- Tenders to be invited, received, evaluated and awarded to the supplier who tendered the best value for money outcome. These processes are conducted and recorded via the City of Whittlesea's Contract Management System
- Placement of the order by the issue of a standard letter of acceptance which quotes the related purchase order number
- Receipt and verification of all required compliance documents (insurances, securities, etc.) before approving commencement of services or works.

All contracts require submission of contract variation reports if increases to the term or the contract sum are required.

2.3.3 Public Tender Requirements

Section 186 of the [Local Government Act 1989](#) details circumstances when tenders or expressions of interest for contracts must be publicly advertised. This applies to contracts valued from \$150,000 (for purchases of goods or services) and \$200,000 (for purchases of works). Those values are commonly referred to as the public tender threshold.

However even if section 186 does not apply, public expressions of interest or tenders may be called if it is considered that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to better Value for Money.

For all public tenders advertised by the City of Whittlesea, a tender evaluation panel comprising of at least 3 persons must be established and a detailed Tender Probity and

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Evaluation Plan shall be developed, approved and strictly adhered to by that panel. Amongst other things this involves the establishment of more detailed evaluation criteria and the application of a pre-approved and sophisticated weighted scoring system.

The Tender Probity and Evaluation Plan will be completed and approved prior to the tender being advertised.

2.3.4 Panel Contract Orders

Council awards some contracts to multiple tenderers thereby appointing a panel of preferred suppliers. Wherever practicable the allocation of orders for works, services or goods under such panel contracts will be undertaken in accordance with the relevant procurement method described above. The allocation and variation of panel contract orders may be approved by the CEO or under delegated authority.

2.4 Delegation of Authority

2.4.1 Requirement

Delegations define the limitations within which Council staff are permitted to work. Delegation of procurement authority allows specified Council staff to approve certain purchases, quotations, tender and contractual processes without prior referral to Council. This enables the City of Whittlesea to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level.

As such, Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for contract management activities.

2.4.2 Delegations

2.4.2.1 Council staff

The CEO shall maintain a documented scheme of procurement delegations, identifying the Council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of Council and their respective delegations.

For procurements where the Total Contract Sum does not exceed the CEO's financial delegation the following actions may be approved under delegated authority:

- Contract awards
- Contract term extensions
- Contract variations
- Short listing of pre-qualified suppliers.

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2.4.2.2 *Delegations Reserved for Council*

For procurements where the Total Contract Sum exceeds the CEO's financial delegation the following commitments and processes must be approved by Council:

- Contract awards
- Contract term extensions
- Contract sum increases.

2.5 Internal Controls

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 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
- Systems are in place for appropriate monitoring and performance measurement.
- 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 Committee and Council.

2.6 Commercial Information

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

2.7 Risk Management

2.7.1 General

Risk Management is to be appropriately planned and carried out at all stages of procurement activities in order to protect and enhance the City of Whittlesea's capability to prevent, withstand and recover from interruption to the supply of goods, services and works and to generally protect the City of Whittlesea's interests.

Risk assessments are a vital part of the procurement planning process, particularly for significant contracts. Risks will be identified for each part of the sourcing, transition, delivery and finalisation stages of procurement. Appropriate risk avoidance and mitigation strategies will be employed whenever practicable and appropriate.

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2.7.2 Supply by Contract

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

The City of Whittlesea will minimise its risk exposure by measures such as:

- Using standard contracts that include current, relevant clauses
- Requiring security deposits where appropriate
- Referring specifications to relevant experts where appropriate
- Requiring contractual agreement before allowing the commencement of work
- Using or referring to relevant Australian Standards (or equivalent)
- Effectively managing the contract, including monitoring and enforcing performance.

2.8 Contract Terms

All contractual relationships must be documented in writing based on the standard terms and conditions approved for use by Council staff. Where this is not possible, prior approval to use varied terms and conditions must be obtained from Team Leader Procurement who may seek specialised procurement and legal advice as required.

To protect the best interests of the City of Whittlesea, terms and conditions must be settled in advance of any commitment being made with a supplier.

2.9 Endorsement

Council staff must not publicly endorse any products or services without the permission of the relevant Director or the CEO.

2.10 Dispute Resolution

Where relevant, the City of Whittlesea contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating to legal action.

2.11 Category Management

A 'Category' is an area of spend determined by known market boundaries separating different products, services or industries. Category management recognises that suppliers within a certain market are likely to have similarities which enable a tailored approach to procurement that achieves Value for Money.

The Council has a Category Management approach to procurement which brings together expertise from across the Council to identify the most appropriate and effective approach to deliver the Council's outcomes through sourcing and supply arrangements.

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The main objective of category management is to reach a point where all or a very high percentage of the Council's spend within a category is being channelled through approved arrangements, aligned with strategic priorities such that value is maximised on every dollar of expenditure. An example of this is the aggregation of City of Whittlesea's temporary agency staff appointments. The new arrangement resulted in savings of around 10% and improved levels of reporting and control over spend.

2.12 Contract Management

Good contract management ensures goods, services or works are delivered to the required standards of quality and quantity as intended by the contract by:

- 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
- Adhering to the City of Whittlesea's risk management framework and relevant Occupational Health and Safety and sustainability requirements.

City of Whittlesea contracts are to include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts are to be proactively managed by the member of Council staff responsible for the delivery of the contracted goods, services or works to ensure the City of Whittlesea, and therefore the community, receives Value for Money.

Contract Management is to be conducted by Council staff in accordance with the processes, requirements and guidelines detailed in the City of Whittlesea's approved procurement procedures.

2.13 Variation of contracts

Contracts occasionally require variation to address unforeseeable circumstances or to take advantage of opportunities to achieve better Value for Money. Such variations are requested, approved and documented in accordance with the City of Whittlesea's systems and approved procurement procedures.

The approval of variations by the Council (or a delegate with a limit exceeding the Total Contract Sum) protects against incremental increases beyond approved thresholds (commonly known as 'scope creep').

2.14 Significant Contracts

Council awards some contracts that are strategically critical and of relatively high value. In recognition of their importance to the community the Executive Leadership Team has designated these as 'significant contracts' and appointed Contract Owners to help ensure their successful delivery.

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The role of the Contract Owner is to provide additional senior oversight of the management of a significant contract by:

- Regularly meeting the Contract Manager to review reports and discuss performance
- Providing direction and guidance on key decisions
- Ensuring that the CEO and Council are briefed as necessary.

Contract Owners promote timely and effective response to emerging issues in significant contracts with the aim of protecting Council's interests and ensuring community satisfaction.

2.15 Performance Standards

Council staff will ensure that the required performance standards and specifications relating to delivery of works, goods and services are met. To achieve this, staff will undertake (under the guidance of the Procurement Team) all reasonable actions and exercise all of the City of Whittlesea's rights as are necessary to protect the interests of the Council and the community; including the enforcement of consequences for contractual non-compliance.

When the need arises to take serious action to enforce performance standards (e.g. litigation or invocation of penalty clauses) the Director of the department managing the contract shall brief Council on the background, proposed action and the resultant outcomes.

3 Demonstrate Sustained Value

3.1 Integration with Council Strategy

Council's Procurement Policy shall support the overall strategic direction as set out in the Council and Community Vision ([Whittlesea 2040 – A place for all](#)), the Strategic Procurement Plan and other relevant adopted Council strategies.

3.2 Achieving Value for Money

3.2.1 Requirement

The City of Whittlesea's procurement activities 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 requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinant of value for money.

3.2.2 Approach

This will be facilitated by:

- Achieving continuous improvement in procurement activity in accordance with the direction set out in the City of Whittlesea's Strategic Procurement Plan

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- Developing, implementing and managing processes that support the co-ordination and streamlining of activities throughout the procurement lifecycle
- Effective use of competition
- Using Aggregated Purchasing Contracts and Schedule of Rates Contracts where appropriate
- Identifying and rectifying inefficiencies in procurement processes
- Developing cost efficient tender processes
- Council staff responsible for providing procurement services or assistance within the City of Whittlesea providing competent advice in terms of available products and agreements
- 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.

3.2.3 Role of Specifications

Specifications used in quotations, tenders and contracts are to support and contribute to the City of Whittlesea’s Value for Money objectives through being written in a manner that:

- Ensures impartiality and objectivity
- Wherever practicable, allows for the use of a range of available products
- Encourages environmental, social and economic sustainability
- Eliminates unnecessarily stringent requirements.

3.3 Contract Performance Measure and Continuous Improvement

Appropriate performance measures are to be established and reporting systems will be used to monitor contract performance and compliance.

Drafting of new contract specifications will include consideration of any possible improvements and, wherever practicable, comparison with other similar and recent documents sourced from specialists or others within the relevant industry.

3.4 Sustainable Procurement

3.4.1 General

Council requires the consideration of sustainability in all its procurement activities. Opportunities will be taken to generate economic, social and environmental benefits whenever it is practicable and achieves Value for Money.

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3.4.2 Economic Sustainability

Council is committed to procurement that supports Local Businesses and economic diversity in the municipality. Whenever practicable the City of Whittlesea will give effective and substantial preference to contracts for the purchase of goods, machinery or material manufactured or produced in Australia or New Zealand and will actively seek quotes and tenders from local businesses.

Council is committed to buying from Local Businesses where such purchases may be justified on Value for Money grounds. The City of Whittlesea will continue to actively encourage engagement of Local Businesses in Council activities by:

- Looking for opportunities to simplify our documentation and to identify Local Businesses that have the potential to supply to the City of Whittlesea, and
- Conducting annual presentations to assist Local Businesses with becoming suppliers and tendering for City of Whittlesea contracts.

To help promote the local economy and economic sustainability the City of Whittlesea will give preference to quotations and tender offers received from Local Business.

3.4.3 Social Sustainability

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

Council prefers to procure from organisations with a demonstrated commitment to human rights and improving local communities, particularly where this is evidenced by social enterprise, fair trade certification, direct community involvement or other demonstrable positive impacts on society. Procurement activity will take these factors into account alongside other Value for Money considerations.

Council staff will take appropriate steps to help ensure that our supply chain is free of modern slavery and to promote the elimination of human rights exploitation including forced labour, debt bondage, human trafficking, deceptive recruitment and child labour. When establishing procurement projects, the associated documentation (where applicable) will properly articulate the requirements to achieve positive social outcomes. The City of Whittlesea will consider the following social procurement criteria, depending on the nature of the purchase:

- Local training and employment for unemployed and/ or disadvantaged municipal residents
- Sourcing goods and/ or services from social enterprises and capacity building of social enterprises to grow and deliver greater social returns
- Community building initiatives.
- Compliance with obligations under the [Modern Slavery Act 2018](#).

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3.4.3.1 Equality and Diversity

The requirements of the Victorian Equal Opportunity Act 2010, Council's Equal Opportunity Policy and Commonwealth anti-discrimination legislation are applied to the procurement of goods, services and works.

Promoting equality and 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 corporate commitment to diversity and equal opportunity wherever possible.

A wide range of suppliers should be encouraged to compete for City of Whittlesea work. Types of organisations offering diversity include businesses that are:

- Female-led
- Aboriginal / Indigenous
- Culturally and linguistically diverse
- Small to medium enterprises
- Employing people with disabilities.

To help promote social sustainability the City of Whittlesea will give preference to quotations and tender offers that demonstrate social benefit.

The City of Whittlesea aims to stimulate Aboriginal entrepreneurship, business development and employment by providing Indigenous businesses with more opportunities to participate in the economy. To achieve these aims a range of supporting procurement related activities have been incorporated into [Council's Stretch Reconciliation Action Plan 2017-2020](#).

3.4.4 Environmental Sustainability

Council, through its endorsed Community and Corporate Plans, [Environmental Sustainability Strategy 2012-2022](#) and numerous supporting guidelines is committed to environmental sustainability outcomes. This includes the efficient use of resources, protecting ecological systems and achieving zero net greenhouse gas emissions by 2020.

Environmentally preferred goods and services will be purchased whenever they present an acceptable Value for Money outcome.

Procurement policy, procedures and supporting guidelines provide all Council staff with instruction and guidance on the procurement decisions that support the implementation of Council's [Environmental Sustainability Strategy 2012-2022](#).

To help promote environmental sustainability the City of Whittlesea will give preference to quotations and tender offers that deliver environmentally preferable outcomes.

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3.4.5 Development and Evaluation of Tenders

Procurement specifications, evaluation criteria and contract clauses must give effect to Council's endorsed sustainability related plans, strategies, policies and procedures. Procurement activity will involve assessment of sustainability risks and opportunities to improve the City of Whittlesea's triple bottom line performance will be incorporated in specifications to promote:

- Preservation of natural habitats
- Clean air, water and land
- Efficient use of resources
- Use of innovative technology
- Avoidance of waste and hazardous materials
- Protection from unethical labour sources and conditions
- Lawful and responsible behaviour with positive economic, social or environmental impacts.

To help promote Sustainable Procurement, Council staff will apply a price or evaluation score preference (whichever is more advantageous) to quotations and tender offers received from:

- A local business or any Indigenous Business (5% preference)
- Any businesses that demonstrates other desirable sustainability practices and outcomes (up to an additional 5% preference).

4 Apply a Consistent and Standard Approach

4.1 Standard Processes

City of Whittlesea will provide effective commercial arrangements covering standard products and provision of standard services to enable sourcing of requirements in an efficient manner.

This will be achieved via established:

- Processes, procedures and techniques
- Tools and business systems
- Reporting requirements
- Application of standard contract terms and conditions.

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4.2 Performance Targets

To help maximise the achievement of best value the City of Whittlesea has set performance targets for:

- The achievement of savings and benefits in the procurement of works, goods and services
- The return on procurement investment
- The percentage Sustainable Procurement spend.

4.3 Performance Indicators

City of Whittlesea will seek to improve its procurement performance by capturing and analysing data on key performance indicators including:

- Extent of contracts delivered on time and on budget
- New collaborative procurement contracts
- New preferred supplier (panel) contracts
- The number of local suppliers and proportion of local spend
- Value of savings and benefits achieved
- Level of compliance with the Procurement Policy
- Annual spend on sustainable goods and services
- The return on procurement investment.

A memorandum detailing actual performance against these indicators will be presented annually to the Audit & Risk Committee and the Council.

4.4 Managing Compliance

The Procurement Team (and, where necessary, the Internal Compliance Officer) will conduct random and targeted audits of compliance with this policy and associated procurement procedures.

Serious or repeated compliance issues will be recorded and referred to Directors and/or the CEO for resolution. The CEO will refer compliance matters to the Audit and Risk Committee and advise Council. Consequences of non-compliance will be in accordance with relevant Human Resources policies (including the Disciplinary Policy and Performance Improvement Policy).

5 Build and Maintain Supply Relationships

Council recognises that in order to achieve sustainable value, a strategic assessment of the appropriate 'channel to market' should be undertaken – whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State

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Government panel agreements or other means. The City of Whittlesea will consider supply arrangements that deliver the best value outcomes in terms of time, expertise, cost, value and outcome.

5.1 Managing Suppliers

Council recognises the importance of effective and open working relationships with its suppliers and is committed to the following:

- Managing existing suppliers via performance measurements to ensure the benefits are delivered.
- Establishing preferred supplier contracts.

5.2 Supply Market Development

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

- Local businesses
- Green suppliers
- Small to medium sized enterprises (SMEs)
- Social enterprises
- Ethnic and minority businesses (e.g. Indigenous Business)
- Voluntary and community organisations.

5.3 Communication

External communication is very important in ensuring a healthy interest from potential suppliers and partners to the City of Whittlesea. The **whittlesea.vic.gov.au** website provides access to a list of existing contract opportunities. Interested parties who register via the site may download tender documents free of charge.

6 Continuous Improvement

Council is committed to continuous improvement and will review the Procurement Policy annually to ensure that it continues to meet its wider strategic objectives. The City of Whittlesea will also implement a range of continuous improvement initiatives as identified in its endorsed Strategic Procurement Plan.

7 Policy Enquiries and Contact Details

For further information on the policy, please contact the Procurement Team via email to procurement@whittlesea.vic.gov.au or phone 03 9217 2372.

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