



Procurement of Goods, Services and Works Policy

Policy – CP083

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1. The purpose of this policy is to:

Clearly set out the requirements to be met by all staff, Councillors and temporary employees when procuring and/or contracting goods, services and works on behalf of Mildura Rural City Council.

This policy applies to all purchases of goods, services or the carrying out of works – irrespective of the value of such purchases.

This policy sets out the principles guiding procurement activities within Council, ensuring compliance with the Local Government Act 2020 and alignment with the *Best Practice Procurement Guidelines for Victorian Local Government 2024*.

The Procurement of Goods, Services, and Works Guidelines complement this Policy by providing a framework within which procurement operates.

2. Policy statement

Section 108 of the *Local Government Act 2020* (The Act) requires Council to prepare, approve and comply with a procurement policy that outlines the principles to be applied to the purchase of all goods, services and works.

The objectives of this policy are to:

- provide guidance to ensure consistency and control over procurement activities
- demonstrate accountability to stakeholders
- provide guidance on ethical behaviours in local government purchasing
- support the application of best practice in purchasing
- obtain the right outcome when purchasing goods and services.

3. General Principles

3.1 Fundamental procurement practice principles

Listed below are the fundamental procurement practice and principles that must be applied to all procurement irrespective of its value and complexity:

- **Value for money** – Ensuring the best quality and value for the price, considering both monetary and strategic factors. Obtaining value for money does not mean Council is obligated to accept the lowest price.
- **Open and fair competition** – All suppliers/vendors must have equal access to procurement opportunities and information, ensuring transparency and public confidence. It is imperative that Council treats all suppliers/vendors in the same manner without any bias or perception of bias.
- **Accountability** – Council maintains a consistent procurement framework across the organisation, outlining responsibilities and ensuring sound decision-making. Officers are accountable for their actions and responsibilities in relation to any procurement undertaken.
- **Risk management** – All procurement carries some risk, and it is expected that Council Officers must identify any risks and mitigate it through Council's risk management processes.

This includes a requirement, where appropriate, that suppliers or contractors will meet the criteria to be prequalified. Officers should refer to Council's Risk Management Framework and associated Risk Management Policy (CP024) and procedures

- **Probity and transparency** – Council must uphold the highest standards of honesty, integrity, fairness, and openness in all dealings. Council's Public Interest Disclosure Policy (CP014) establishes a framework for reporting disclosures of corrupt, improper or specified contact, as defined in the Public Interest Disclosure Act 2012.
- **Sustainable and social procurement objectives** – All staff should consider sustainable and social procurement practices that support long-term community benefits and align with the Council's broader social objectives, enhancing strategic procurement and contributing to stronger, more resilient communities

4. Procurement Methods & Thresholds

4.1 Methods of purchase

Standard methods for purchasing goods, services and works shall be:

- petty cash by exception
- purchasing card

- electronic purchase order following a quotation process in accordance with thresholds and process
- under contract following a tender or equote process
- using collaborative purchasing arrangements not limited to but including other councils, Municipal Association of Victoria Procurement, Procurement Australia Ltd, Victoria State Government, and Commonwealth Government where appropriate, Regional Procurement Excellence Network, Regional Waste Management Groups or other bodies.

4.2 Treatment of GST

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

4.3 Responsible financial management & Authority to Procure

The principle of responsible financial management must be applied to all procurement activities.

Before initiating any procurement activity, staff must ensure they have the necessary authority, delegation, or Council approval to undertake the procurement activity. Procurement must not commence unless adequate authority is in place and sufficient funds have been identified within an approved budget or designated source of funding.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, must be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council Staff must conduct all procurement activities in accordance with the principles of responsible financial management and, must strictly comply with the expenditure of funds in accordance with their financial delegation as set out in the Instrument of Financial Delegation..

4.4 Procurement Thresholds

Purchases of goods and services, and carrying out of works must meet the minimum requirements specified in the following table:

Value	Requirement	Minimum Quotes Required
Up to \$4,999	No quotation	0
\$5,000 to \$24,999	Request for quotation*	1
\$25,000 to \$49,999	Request for quotation*	2
\$50,000 to \$99,999	Request for quotation*	3
\$100,000 to \$299,999 goods and services or works	Electronic request for quotation (Equote) *	3

\$300,000 and over goods and services or works	Public tender process	
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*Must request a quote from a local supplier if the goods, services or works are available locally

Note: The above thresholds are inclusive of:

- applicable taxes (e.g. GST)
- any other known foreseeable cost (e.g. delivery).

4.5 Collaborative Procurement

In accordance with section 108(c) of the Act, Council will 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.

Council reports in regard to procurement must set out information relating to opportunities for Collaborative Procurement including:

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

Council may collaborate with other Councils or other agents such as Municipal Association of Victoria (MAV) Procurement, Procurement Australasia or State and Federal Government procurement contracts to procure goods, services or works, or utilise existing Collaborative Procurement Arrangements for the procurement of goods, services or works established through a public tender process where it provides an advantageous, Value for Money outcome for the Council.

The Evaluation Criteria as detailed in this policy must be considered when utilising collaborative procurement opportunities and whole of government contracts.

5. Exemptions

Council has in certain circumstances an exemption process from this policy as well as exemptions from the Act as outlined below. (Exemptions from Council policy can be obtained via council exemption process)

Sub-section 108(3)(d) of the Act requires Council to determine circumstances or conditions under which Council may purchase goods, services or works without first undergoing the public tender process.

5.1 Emergency or urgent situation.

Situations where this may occur include:

- the occurrence of a natural disaster such as storm, flooding, bushfire, pandemic or epidemic that may require the immediate procurement of goods, services or works to provide response or relief
- the occurrence of an event such as wilful damage flooding or fire at a Council property which impacts business continuity.

The definition of urgent or emergency expenditure is not intended to be a convenient fall-back position for last minute procurement that could reasonably have been expected to be purchased under standard processes in the normal course of business.

Approval for urgent or emergency expenditure under this section may be provided by the Chief Executive Officer or general manager regardless of whether the expenditure exceeds their financial delegation.

5.2 Unique item/s expenditure

Some items are of such a unique character that standard purchasing processes do not apply. An example of a “unique” item purchase is the purchase of art works for Mildura Arts Centre.

In these circumstances, written authorisation for the purchase must be provided by the Chief Executive Officer and recorded in Council’s electronic records management system demonstrating the rationale to not engage the quotation or tender thresholds as detailed in this Policy.

5.3 Essential Service Provision or other government entity

Certain bodies or authorities will only allow works to be conducted by themselves or their contractors on their assets. Such bodies and organisations are, but not limited to, Telstra, Powercor, V/Line and Lower Murray Water.

Where Council is required to engage the services of an organisation to operate or a purchase from a contract made by another government entity, government-owned entity or other approved third party, such organisations are, but not limited to, the Environment Protection Authority, Victorian Auditor General’s Office, Australian Taxation Office and State Revenue Office.

5.4 Statutory compulsory monopoly insurance schemes

These include, but are not limited to, Insurance such as Victoria Managed Insurance Authority (VMIA), Motor vehicle compulsory third party Insurance and WorkCover.

5.5 Information technology resellers and software developers

This provision allows Council to renew software licenses and maintenance and support, or upgrade existing systems, where there is only one supplier of the software who holds the intellectual property rights or the reseller, maintenance and support contract for the software.

This provision further allows for Council's Information Services Department to manage and hold record of these software licenses, maintenance and support agreements once the original contract has expired. Once these contracts have expired these contracts will continue as an annual subscription for software. These subscriptions will not be managed by the standard Procurement process or recorded in Council's Internal Contract Report Register.

5.6 Legal Services

This provision allows for Council to obtain legal services without using any contracted panel arrangements.

5.7 Chief Executive Officer Exemption

The Chief Executive Officer may grant an exemption where it can be clearly demonstrated that a public tender process will not be in the best interest of the organisation or community to do so.

5.8 Aboriginal and Torres Strait Islander businesses or social enterprises

Council is dedicated to supporting Aboriginal and Torres Strait Islander businesses by actively creating opportunities for their inclusion in procurement activities.

Where value for money can be demonstrated, Council encourages engaging Aboriginal and Torres Strait Islander businesses for the delivery of goods or services.

In alignment with Council's Reconciliation Action Plan to support greater supplier diversity, Council may grant an exemption from the standard requirement to obtain two quotations when directly procuring from Aboriginal and Torres Strait Islander businesses.

6. Evaluation & Awarding of Contracts

6.1 Mandatory Evaluation Criteria

The Policy provides three mandatory evaluation criteria that must appear in all tenders:

Evaluation criteria	Minimum weighting
Local Purchasing	5%
The social and sustainable outcomes provided to the community through this procurement activity	10%
Price	30%

6.1.1 Local Purchasing

Local Content / Economic Benefit

Council is committed to buying from businesses locally (within the Mildura Rural City Council municipality) and regionally (neighbouring municipalities), where such purchases may be justified on value for money grounds. Of primary importance is the need to encourage open and effective competition to ensure the best possible outcomes for Council.

Council may consider selection of products or services that maximise these outcomes provided other evaluation criteria are met.

In very limited circumstances, when there are no local contractor/suppliers/providers, the procuring officer can request the removal of Local Purchasing criteria. Requests to remove Local Purchasing criteria must be submitted in writing to the Procurement Helpdesk. Each request will be referred to the Manager Financial Services for consideration, and approval must be obtained on a case-by-case basis.

Council requires that as a minimum, all evaluation criteria for tenders and electronic requests for quotations must include the following:

Evaluation criteria	Minimum weighting
Local Purchasing	5%

A supplier of goods, services or works who maintains a workforce and whose business premise is physically located within 30kms of the Mildura Rural City Council City local government boundary (5 points).

6.1.2 Social and Sustainable Outcomes

Council is committed to sustainability and requires the consideration of sustainability in all its procurement activities.

Supporting Aboriginal and Torres Strait Islander businesses

Council is committed to increasing the economic growth of Aboriginal and Torres Strait Islander businesses and is committed to ensuring Council is providing opportunities for Aboriginal and Torres Strait Islander businesses to participate in Council's procurement process.

Environmental Sustainability

Council is committed through its "Towards Zero Emissions Strategy 2021-2050". As part of this effort, Council encourages suppliers to set similar goals. In evaluation of a procurement process consideration will be given to suppliers who reduce the direct or indirect environmental impact of goods, services and works and can clearly demonstrate the ability to deliver environmentally sustainable outcomes.

Social Sustainability

Social procurement may take the form of using an appropriate procurement opportunity to generate targeted employment for a specific population group.

This may include but is not limited to people with a disability, the culturally and linguistically diverse and promotion of gender equality, inclusion and diversity in the workplace and prevention of family violence.

Evaluation criteria	Minimum weighting
The social and sustainable outcomes:	
• Social and Community Outcomes	5%
• Environmental and Sustainable Outcomes	5%

Out of the maximum criteria of 10 points you must allocate a maximum of 5 points to each of the criteria is below.

- Social and Community Outcomes: Businesses that support the local economy; delivery of social outcomes, such as employment of indigenous people or people with disabilities; promotion of gender equality, inclusion and diversity in the workplace (5 points)
- Environmental and Sustainable Outcomes: Businesses that minimise impacts upon the environment, produces products that reduce emissions, consume minimal energy, water or other resources (5 points)

In the event that Value for Money can be demonstrated by changing the allocation of 5 points or removing one or more of the criteria, General Manager Approval is required.

6.1.3 Price

Price is one of the mandatory evaluation criteria and must have a minimum weighting of 30 per cent. In rare circumstances, this may be varied by making an application in writing to the Procurement Team Leader, who may approve at their sole discretion.

Evaluation criteria	Minimum weighting
Price	30%

Advertising Tenders with Price range

The inclusion of price or indicative budgets is generally not encouraged in tender processes due to potential conflict with Council's obligation to obtain value for money.

However, there may be situations in which price, or a proposed budget range is a valid inclusion in tender specifications. Questions to consider when determining whether a proposed price or budget range could be included are:

- Are you confident that the proposed price range is accurate?
- Is there the potential to miss out on low dollar value or similar quality submissions?
- What is the likelihood that submissions will be inflated to be in line with the estimated price?

- Am I still going to be able to demonstrate that I have achieved value for money?

Requests to include price in tender specifications must be made in writing to the Procurement Helpdesk, which request will be actioned to Manager Financial Services for approval at their sole discretion.

If the price inclusion is granted and the tender/equote documents state budget, you will have the option to remove price or reduce the percentage of price as a mandatory evaluation criterion of 30 per cent.

6.2 Public Tenders

In accordance with section 108(3)(a) of the Act, Council is required to set a contract value threshold for when a public tender process must be followed. Therefore, if the purchase of all goods, services and works exceeds the estimated expenditure of \$300,000 (including GST) a public tender must be undertaken as per the thresholds directed by Council (*unless an approved exemption has been granted*).

Public tenders may be used for the purchase of goods, services and works where the estimated expenditure is below the stated threshold if a better procurement outcome may be achieved.

Council will use its nominated online procurement portal to provide the public with opportunity to bid for the provision of goods, services or works. It will determine closing times and dates for public tenders. Each tender will comprise a series of electronic documents, including a copy of the contract, or contract schedules. This documentation will clearly state the requirements of the tenderer and include a return schedule(s).

Late tenders will not be accepted. Non-conforming tenders may not be considered by Council. If innovative or alternative tenders are to be considered, they should always accompany a conforming tender.

Multi-stage tenders

Council 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 commence with an Expression of Interest followed by a Selected Tender process involving only the organisations identified through the Expression of Interest.

Panel tenders

Council may, at its discretion and where appropriate, establish panel tenders for the delivery of goods, services or work across various locations within the municipality.

A panel tender is a tender process that results in more than one supplier being contracted to deliver the required goods or service. This approach provides Council with access to a broader pool of qualified suppliers, enabling greater flexibility and faster response times to meet specific needs as they arise.

Tender evaluation

All submissions must be evaluated in a consistent manner against the evaluation criteria and weightings adopted for the tender and outlined in the tender documentation. During evaluations, price is scored automatically. The Evaluation Panel will be able to view the submitted prices of each tender submissions. All tender submissions must be assessed on only the information what has been provided as part of the tender submission.

Past performance can only be considered if the information is contained within a Council contract management system and the supplier / contractor is formally aware of their past performance. The use of a weighted evaluation criteria must be used to analyse and compare tenders in a detailed and consistent manner.

Value for money is the essential test against which any procurement is evaluated. The assessment and evaluation of submissions must be robust, systematic, and unbiased to ensure integrity is upheld and alignment with procurement objectives is achieved. Achieving user and system requirements, quality standards, and service benchmarks may take precedence over obtaining the lowest price. Value for money is the basis for comparing alternatives so that the optimal offer can be selected.

A tender evaluation panel of at least three (3) members must be established for each tendering process. One of the three (3) members must be independent of the branch that initiated the tender, and be independent from the project/serves. Every procurement evaluation panel should reflect Council's commitment to gender diversity and equal opportunities wherever possible. When evaluating a tender for which an internal Council unit has submitted a response, at least one member of the panel must be a person who is independent of Council and who has expertise relevant to the tender. When an internal Council unit is not a respondent to a tender, it is not a requirement to have a person who is independent of Council as a member of the panel, but this does not preclude these persons as panel members.

The tender evaluation report must disclose the names and positions of the panel members. All panel members must complete a declaration of confidentiality and conflict of interest prior to participating in evaluating responses and submissions.

A due diligence investigation of the preferred or short-listed tenderers for all high value and/or highly complex projects may be considered by the Chief Executive Officer or relevant General Manager to ensure that the tenderers have the capacity and financial stability to comply with the requirements of the contract.

The tender evaluation process may necessitate requests for further information. If material information is omitted, the panel may determine the tender is non – conforming. It is important that this process remains open and transparent, and as such, the same additional information should be sought from all tenderers.

Post-tender negotiations

The objective of post-tender negotiations is to obtain the optimal solution and commercial arrangements and not merely the lowest price. The conduct of any discussions after the close of the tender advertising period and before the selection of the preferred tenderer(s) can be considered a clarification activity prior to entering into the formal assessment of the tenders.

Following selection of preferred tenderer(s), Council must exhaust negotiations with one tenderer before beginning negotiations with another tenderer. These negotiations must only be undertaken with the preferred tenderer or the shortlisted tenderers. The same general questions and propositions must be put to all short-listed tenderers. A detailed record must be kept of the negotiation process for audit purposes and details of meetings are to be treated as commercial-in-confidence.

Council must not use the negotiations as an opportunity to trade the price of one tenderer against that of another tenderer.

Matters that could be discussed include additional value adding options, specific contract management arrangements, accountable personnel for various contract stages or commitments, further intellectual property transfer opportunities, warranties, service/supply arrangements etc.

While the Council may negotiate with tenderers to determine the award of the contract, it must have regard to the scope of the Request for Tender at all times. Post-tender negotiations must not materially alter the scope or intent of the tender. **Any material deviation from the scope or intent of the tender would make the tender process void.**

Council may also request preferred or short-listed tenderers to provide a best and final offer (BAFO) in relation to all or certain aspects of their tender.

6.3 Request for Quotations

Additional Requirements for all quotations:

- The Purchase order may be placed with that supplier/contractor/provider subject to the order being within budgetary constraints and demonstrating value for money.
- When the goods, services or works are available locally at least one quote must be sourced from a local supplier.
- Details of the supplier/contractor/provider and their quotations must be recorded and available for audit purposes in Council's electronic document records management system, and in Authority.
- Where obtaining the required number of quotes is either inefficient or impractical, written authorisation must be provided by exemption via council exemption process.

Request for quotation: \$5,000 to \$24,999

- Council must seek a minimum of one quotation.

Request for quotation: \$25,000 to \$49,999

- Council must seek a minimum of two quotations.

Request for quotation: \$50,000 to \$99,999

- Council must seek a minimum of three quotations.
- Council Officers must provide suppliers/contractors/consultants with a detailed specification or project brief when undertaking this procurement method. This will periodically be monitored by Procurement to ensure value for money is obtained.
- If a contract is required, Council Officers will have to undertake an Equote or Public Tender process.

Request for quotation: \$100,000 to \$299,999

- Council must seek a minimum of three quotations through Council's e-procurement system. Public advertising is not required but may be considered in order to engage a broader possible supplier market.
- Quotations must be electronically returned by the nominated closing date, be subject to the same evaluation process that applies to public tenders, and a recommendation made in favour of the supplier offering the value for money outcome.
- The invited suppliers quotations and signed contract documentation is to be recorded and maintained in Council's electronic records management system.

7. Contract management & Supplier Performance:**7.1 Risk Management**

Risk management must be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

7.2 Supply by Contract

The provision of goods, services and works potentially exposes Council to risk. Council minimises its risk by measures such as:

- standardising contracts to include current, relevant clauses
- requiring security deposits or bank guarantees where appropriate
- detailed and appropriate tender specifications, which may include referring specifications to relevant experts
- requiring contractual agreement before allowing the commencement of work
- use of or reference to relevant Australian Standards

- effectively managing the contract, including monitoring and enforcing performance.

7.3 Credit checks

Conducting credit checks helps Council mitigate financial risks, safeguard Council's interests, and ensure that Council engage with reputable and financially sound businesses. This proactive approach reduces the likelihood of project delays, cost overruns, and potential legal issues arising from contractor insolvency or financial instability.

Requirements:

- Credit checks are required for all public tenders if Council have not engaged with the Supplier/Contractor/Consultant in the last 12 months.
- Credit checks are mandatory for businesses that have not been previously used and where the procurement value exceeds \$100,000.
- Credit checks are mandatory for businesses rated as High Risk in Rapid Global.

Exemptions to the above requirements can be granted with the approval of the relevant General Manager.

Where a credit check identifies a business, contractor or supplier as High Risk, the Procurement Team in consultation with Manager Financial Services, will review the credit assessment and prepare a recommendation for consideration by the relevant General Manager. The final decision whether Council engage the High Risk the business, contractor or supplier will rest with the relevant General Manager.

In the event of a disagreement between the General Manager and Manager Financial Services, the Chief Executive Officer will make the final determination.

7.4 OH&S and other mandatory requirements

Council undertakes due diligence activities on all prospective suppliers to ensure compliance with legislative and business requirements. Council will require all contractors, service providers and volunteers to comply with all OH&S legislative requirements. These requirements are mandatory and non-compliance will disqualify prospective suppliers.

Suppliers must provide evidence of insurances in providing goods, services or works.

7.5 Contract terms

Terms and conditions must be settled in advance of any commitment being made with a supplier. All contractual relationships must be documented in writing based on standard terms and conditions or a specifically written contract.

Standard conditions of contract, as per relevant Australian Standards, should be utilised where practicable.

Where this is not possible, advice should be sought from Procurement who may make a determination regarding engaging appropriate legal advice.

Contracts must be proactively managed by Council employee responsible for the delivery of the contracted goods, services or works to ensure Council receives value for money.

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

- Utilising the established system which monitors and reinforces the performance of all parties' responsibilities and obligations under the contract;
- Adhering to Council's risk management framework and compliance with any applicable legislation including, relevant occupational health and safety procedures; and
- early recognition of issues and performance problems and the identification of solutions.

7.6 Delegations and internal controls

Delegations define the limitations within which Council staff are permitted to work. Delegation of procurement authority allows specified Council staff to approve certain purchases, quotation, tender and contractual processes. This enables the Council to conduct procurement activities in an efficient and timely manner while maintaining transparency and integrity.

Council staff

Council must maintain a documented scheme of financial delegations, identifying the Council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of the Council and their respective delegations contained in Financial Delegations policies:

- acceptance of tenders
- acceptance of quotes
- contract term extensions (within authorised budget)
- credit card purchases.

7.7 Delegations reserved for the Council

Procurement activities which exceed the Chief Executive Officer financial delegation must be approved by Council. Unless another instrument of delegation instrument is in place. This may be in the form of an alternative legislative or Council resolution. The Chief Executive Officer may exercise

financial delegation in excess of \$1,000,000 following an approved Council resolution.

7.8 Internal controls

The Chief Executive Officer will maintain a framework of internal controls over procurement processes that will ensure:

- there is sufficient segregation of staff duties 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
- documentation comprising the contract is signed by both parties before works commence.

7.9 Training

All staff with duties that involve procurement will undertake procurement training when they commence employment. In order to ensure existing staff are up-to-date with the latest requirements of this policy, they must participate in refresher training every two (2) years. Staff that breach the policy will be required to undertake refresher training immediately and may be subject to disciplinary action.

7.10 Breaches

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

8. Probity & Good Governance

8.1 Confidentiality

The confidentiality of all information provided in the tendering and quoting process must be fully preserved. This includes the forwarding and discussing of information including quotations to other parties, both internal and external, who are not involved in any formal or informal evaluation process.

8.2 Conflict of interest

Councillors and Council staff must comply with the requirements of Council's Conflict of Interest Policy (CP057) and Gifts Policy (CP095).

The *Local Government Act 2020* outlines two types of Conflict of Interest:

a) Material

Any Councillor or Council staff member involved in the decision to award a tender or quote who determines that they have a material conflict of interest under the Act they must remove themselves immediately from the process.

b) General

An evaluation panel member who has a General conflict of interest with a respondent must make a declaration to the Procurement Unit. The Manager Financial Services and/or a member of the Executive Leadership Team will make a determination as to whether that declaration presents a conflict of interest and whether the person can participate in the evaluation panel.

If in doubt as to whether you should be involved in a procurement decision due to a potential conflict of interest, you should remove yourself from the panel.

8.3 Record management

Staff are responsible for ensuring all documents received from suppliers and Council generated documents associated with a procurement process are completed to the standard required using designated Council templates and maintained in the required information management system(s).

8.4 Order “splitting”

Order “splitting” is defined as the practice of dividing the full cost of a single purchase into a number of smaller segments to intentionally avoid the requirement to seek formal tenders or quotations. This practice is prohibited by Council. Council will identify “order splitting” in its procurement process through regular reporting systems that identify multiple orders raised on the same supplier.

9. Who is responsible for implementing this policy?

Chief Executive Officer	Adhering to policy and procedures as listed in this document and maintaining a framework of internal controls over procurement processes.
General Managers	Understanding, communicating, applying the policy and the framework of internal controls over procurement processes.
Managers	Understanding, communicating, applying the policy and the framework of internal

	controls over procurement processes.
Procurement Team	Responsible for reviewing policy. Responsible for communicating policy.
SMT & ELT	Review the draft policy and recommend changes if appropriate.
All staff	Adhering to policy and procedures as listed in this document.

10. Definitions

<i>Collaborative Procurement Arrangement</i>	A contract established by the Council, government or a nominated agent, such as Procurement Australasia (PA), Municipal Association of Victoria (MAV), Loddon Mallee Regional Procurement Network of Councils (LMRPN) or a local government entity, for the benefit of numerous state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
<i>Conflict of Interest</i>	Councillors and Council staff must comply with the requirements of Council's Conflict of Interest Policy (CP057) and Gifts Policy (CP095) as prescribed by the Local Government Act 2020.
<i>Conflict of interest declaration</i>	A declaration signed by staff, councillors and consultants involved with an RFx process to indicate they have or do not have a conflict of interest.
<i>Contract</i>	An agreement between Council and a supplier of goods and/or services evidenced by a legal binding document containing conditions relating to the supply of goods/services and responsibilities assigned.
<i>Contract documents</i>	Documents construed together as an instrument of contract. They may include terms and conditions, specifications, drawings, RFx responses, delivery schedules and payment schedules.
<i>Contractor</i>	An external person/business that provides a service to Council.
<i>Contract owner / Contract Manager / Superintendent</i>	The person nominated by the council to manage the day-to-day matters of the contract. The Officer who is ultimately accountable for the contract/project. (This is normally in line with Financial Delegations or Delegation of Council).

<i>Contract supervisor</i>	Council officer or agent assigned by the contract owner to have the responsibility for the operational administration of the contract.
<i>eProcurement</i>	Refers to the use of electronic methods at any stage of the procurement process and possibly procured asset management. Electronic tendering is the undertaking of the RFX process stage by electronic methods.
<i>Expression of interest (EOI)</i>	A response to an open approach to the market requesting submissions from respondents interested in participating in procurement. It is used to identify potential suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability to do the work. It is usually the first stage of a multi-stage RFX process.
<i>Goods</i>	A physical or tangible item that does not include a labour component.
<i>High Risk</i>	<p>Refers to the Supplier Risk Rating as listed in RapidGlobal. The Supplier Risk Rating is based on the Financial Risk Rating. High Risk rating refers specifically to where an entity or company or business has a small capital base compared to operations, or unprofitable operations or an unsatisfactory liquidity position.</p> <p>Due to any one or a combination of these factors the company may face financial distress. If the entity encounters adverse trading conditions, it faces an enhanced risk of not being able to meet financial obligations.</p>
<i>Loddon Mallee Regional Procurement Network LMRPN</i>	The 10 Councils comprising the LMRPN, being the Buloke Shire Council, Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Bendigo, Gannawarra Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, Mildura Rural City Council, Mount Alexander Shire Council and Swan Hill Rural City Council.
<i>Multi-stage tender</i>	Tender process requiring an Expression of Interest (EOI) to test the market “expertise” followed by a Request for Tender (RFT).
<i>Pre-qualified Supplier or Contractor</i>	<p>A contractor or supplier becomes pre-qualified when the following requirements are met:</p> <ul style="list-style-type: none"> • Certificate of currency provided for: <ul style="list-style-type: none"> i. Public liability insurance to a minimum of A\$10 million where physical services are provided on Council sites ii. Professional indemnity insurance to a minimum of A\$5 million where intellectual

	<p>services are provided (if applicable)</p> <p>iii. WorkCover insurance</p> <ul style="list-style-type: none"> • OH&S system(s) in place that is/are acceptable to Council • copies of current trade certification, license(s) permits and competencies relevant to the work required are provided • referee checks indicate suitability to be engaged by Council.
<i>Purchasing</i>	The process by which an organisation contracts with another party to obtain the goods and services required to fulfil its business objectives.
<i>Procurement</i>	Procurement is the whole process of acquisition of external goods, services and works and incorporates a range of elements: from planning through to the assessment of market capability, design, the development of procurement strategies, standards determination, specification writing, preparation of RFX documentation, the calling of tenders for submissions; evaluating submissions, financing, contract administration, to managing contracts, evaluating performance and cost, and disposals.
<i>Request for quotation (RFQ)</i>	A written process of inviting submissions to supply goods and/or services involving simple documentation, a limited number of potential suppliers and generally of relatively lower values.
<i>Request for tender (RFT)</i>	A request for submissions against a set of clearly defined and specified requirements. Respondents are advised of all requirements involved, including the RFT conditions and proposed contract conditions.
<i>Service</i>	A contract for service is a contract for some tasks to be done rather than for the supply of materials or goods. It normally involves the provision of labour and/or professional services.
<i>Social procurement</i>	Social procurement involves using procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works.
<i>Sustainable procurement</i>	A process whereby organisations meet their needs for goods, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. Sustainable procurement includes environmental,

	social, local and Aboriginal and Torres Strait Islander business procurement.
<i>Sub-contractor</i>	Service provider to the principal contractor. Must comply with the same requirements as the contractor and must provide the same documentation as the contractor to Council's contract owner.
<i>Tendering</i>	Formalised process of invitation, utilising Australian Standards documentation, to submit a price for the supply of goods and/or services.
<i>Thresholds</i>	The value above which a procurement, unless exempt, is subject to the mandatory procurement procedures.
<i>Value for money</i>	The optimal combination of financial and non-financial factors through the lifecycle of the goods and services procured. This includes fitness for purpose, supplier capability, broader government objectives, total cost of ownership, timeliness, and risk
<i>Works</i>	The construction, alteration, extension, restoration, repair, demolition or dismantling of buildings, structures or works that form, or are to form, part of Council's assets whether or not the buildings, structures or works are permanent.

11. Legislation and other references

11.1 Legislation

The applicable Acts and regulations include, but are not limited to, the following:

- The appropriate Australian Standard code of tendering conditions of contract and specifications AS 4120-1994
- *National Competition Principles Act 1995*
- *Freedom of Information Act 1982*
- *Privacy & Data Protection Act 2014*
- *Local Government Act 2020*
- *Trade Practices Act 1974*
- *Occupational Health and Safety Act 2004*

- *Local Government (General) Regulations 2015*
- *Public Interest Disclosure Act 2012.*

11.2 Other References

External Documents

- Australian Standard 4000 – 1997: General Conditions of Contract
- Australian Standard 4122 – 2010: Conditions of Contract for engagement of Consultants
- Australian Standard 4902 – 2000: Conditions of Contract for Design and Construct
- General Conditions – Provision of Services
- Environmental Purchasing Guide – 2003: Department of the Environment and Heritage
- Local Government Guidelines – Department of Planning and Community Development, Local Government Victoria

Internal documents

This policy is implemented in conjunction with the overriding Procurement process, incorporating the following:

- Procurement Guidelines and processes
- Risk Management Framework and policy
- Delegation of Financial Authority on Expenditure Requests Conflict of Interest Policy – CP057
- Gifts Policy – CP095
- Public Interest Disclosure Policy – CP014

11.3 Risk assessment reference

Risk category	✓	Risk category	✓
Asset Management		Financial Sustainability	✓
Committees		Human Resource Management	
Compliance – Legal & Regulatory	✓	Leadership & Organisational Culture	
Contract Management	✓	Occupational Health & Safety	
Contract Tendering & Procurement	✓	Organisational Risk Management	
Corporate Governance		Project Management	✓
Environmental Sustainability		Public Image and Reputation	✓

11.4 File number and Records Manager reference number

- 18/02/01