



Procurement Policy

(Version 7.2)

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BALLARAT CITY COUNCIL
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1	Contents	
2	DOCUMENT CONTROL INFORMATION	5
3	DOCUMENT HISTORY	5
4	POLICY STATEMENT	6
4.1	Intent.....	6
4.2	Objectives.....	6
4.3	Statement	6
4.4	Legislative Compliance Standards.....	6
4.5	Section 186 – Restriction on power to enter into contracts.....	7
4.5.1	Orders in Council (<i>Victorian Government Gazette - 7 August 2008 – 1908 G32</i>).....	7
5	OWNER.....	8
6	DEFINITIONS.....	8
7	PROCEDURE AND GUIDANCE NOTES.....	10
7.1	Requirement	10
7.2	Conduct of Councillors and Council staff	10
7.3	Tender Processes	11
7.4	Conflict of Interest	11
7.5	Fair and Honest Dealing.....	12
7.6	Accountability and Transparency.....	12
7.7	Gifts and Hospitality.....	12
7.8	Disclosure of Information	13
7.9	Governance Structure	13
7.10	Methods of Purchasing	13
7.11	Responsible Financial Management	14
8	PROCUREMENT THRESHOLDS AND COMPETITION REQUIREMENT	15
8.1	Minimum Spend Competition Thresholds (Inclusive of GST)	15
8.2	Threshold Margin.....	15
8.3	Payments.....	15
8.3.1	Prepayments	16
8.4	Use of Agents	16
8.5	Total Cumulative spend	16
8.6	Preferred Suppliers (Panel).....	17
9	DETERMINING THE PROCUREMENT VEHICLE	17
9.1	Tender	17
9.2	Expression of Interest	17
9.3	Quotations	18

9.3.1	Items of value up to \$5,000	18
9.3.2	Items with a value – \$5,001 to \$25,000.....	18
9.3.3	Items with a value – \$25,001 up to \$124,999.....	18
9.4	Insufficient Quotations	18
10	TENDER EVALUATION	19
10.1	Evaluation Criteria.....	19
10.1.1	Occupational Health & Safety (OH&S).....	19
10.2	Evaluation Process	20
10.3	Non-Conforming Tenders	21
10.4	Ballarat Industry Participation Program (BIPP).....	21
10.5	Acceptance of Tenders:	22
10.6	Delegation of Authority Requirement	22
10.7	Delegations Reserved for the Council.....	22
10.7.1	Council Staff	22
10.7.2	Delegations Reserved for the Council.....	22
10.8	Internal Controls	23
10.9	Commercial Information.....	23
11	TENDER/CONTRACT MANAGEMENT	23
11.1	Risk Management	23
11.2	Health and Safety.....	23
11.3	Supply by Contract	23
11.4	Contract Terms.....	24
11.5	Endorsement.....	24
11.6	Dispute Resolution.....	24
11.7	Contract Management.....	24
11.8	Variances.....	24
12	DEMONSTRATE SUSTAINED VALUE, INTEGRATION WITH COUNCIL STRATEGY	25
12.1	Achieving Best Value for Money.....	25
12.2	Approach.....	25
13	ROLE OF SPECIFICATIONS.....	25
14	PERFORMANCE MEASURE AND CONTINUOUS IMPROVEMENT	26
15	SUSTAINABILITY	26
15.1	Sustainable Procurement.....	26
15.2	Environmental Purchasing	27
16	Support of Local Business	27
16.1	Purchases \$25,000 to \$124,999.....	28

16.2	Purchases over \$125,000.....	28
17	SOCIAL PROCUREMENT	28
18	DIVERSITY.....	28
19	APPLY A CONSISTENT AND STANDARD APPROACH.....	29
20	STANDARD PROCESSES	29
21	PERFORMANCE INDICATORS	29
22	MANAGEMENT INFORMATION.....	29
23	BUILD AND MAINTAIN SUPPLY RELATIONSHIPS.....	30
23.1	Developing and Managing Suppliers.....	30
23.2	Supply Market Development	30
23.3	Relationship Management.....	30
23.4	Communication.....	30
24	CONTINUAL IMPROVEMENT.....	31
25	COMPLIANCE RESPONSIBILITIES	31
26	CHARTER OF HUMAN RIGHTS COMPLIANCE	31
27	REFERENCES AND RELATED POLICIES	31
28	Appendix 1 – Statement of Local Content	32
29	Appendix 2 – Evaluation Matrix.....	33
30	Appendix 3 – Occupational Health & Safety Schedule	34

2 DOCUMENT CONTROL INFORMATION

Policy Name	Procurement Policy
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3 DOCUMENT HISTORY

	Version	Date	Author
Initial Draft	7.00	28/02/2018	Trevor Harris
Review Draft	7.00	1/03/2018	Glenn Kallio
Review Draft	7.1	10/04/2018	Glenn Kallio
Final Draft	7.2	18/04/2018	Glenn Kallio
Approved	7.2	2/05/2018	Council Resolution R98/18

Updates:-

Clause 8.1 Updated - Thresholds (also Clauses 9.3.2 and 9.3.3)

- Requirement for three written quotes - threshold raised from \$15,000 to \$25,000
- Requirement for one written quote for purchases over \$5,000 up to \$25,000 (three verbal quotes deleted)

Clause 10.1.1 added - Occupational Health & Safety (OH&S)

- Occupational Health & Safety Schedule updated to ensure a fair and impartial evaluation of compliance. Weightings added for each question (refer Appendix 3)

Clause 10.2 updated to include process for evaluation of Occupational Health & Safety

Definitions – Added definition of Emergency

4 POLICY STATEMENT

4.1 Intent

Ballarat City Council recognises that a procurement strategy and appropriate best practice contract and procurement principles, policies, processes and procedures, will enhance achievement of Council objectives such as socially responsible procurement, value for money, achieving innovation and providing best value services to the community.

In November 2008, amendments to the Local Government Act 1989 were passed which included a new section 186a that requires Council to ‘prepare and approve a Procurement Policy’. A Procurement Policy must include any prescribed matter and Council must have regard to Ministerial Guidelines made under the section when preparing its policy. Council must review its procurement policy annually and make it available for public inspection.

4.2 Objectives

The objectives of this Policy are to:

- establish a procurement framework for Council to achieve value for money and continuous improvement in the provision of services for the community
- ensure that council resources are used efficiently and effectively to improve the overall quality of life of people in the local community;
- achieve compliance with relevant legislative requirements;
- achieve high standards of probity, transparency, accountability and risk management;
- give preference to the procurement of environmentally sustainable goods, services and works;
- give preference to the procurement of goods, services and works from within City of Ballarat and surrounding municipalities where price, quality, services standards and delivery is comparable to other suppliers

4.3 Statement

This policy encompasses all elements of the procurement of goods and services and requires compliance from Councillors, Special Committee members, Staff, Contractors, Consultants and other members as required by the Chief Executive Officer.

4.4 Legislative Compliance Standards

Council’s procurement activities shall be carried out to the professional standards required by best practise and in compliance with the key legislative requirements including:

- Council’s policies,
- Council’s Code of Conduct
- Section 186 of the Act (Power to enter into Contracts)
- Section 186A of the Act (Procurement Policy)

- Section 3C of the Act (Objectives of a Council)
- Sections 208C of the Act (Best Value Principles)
- Sections 77A, 77B, 78, 78A to 78E, 79 79B to D, 80, 80A to C and 95 of the Act (Conflict of Interest)
- Section 98 of the Act (Delegations)
- Section 140 of the Act (Accounts and Records)
- The relevant provisions of the Competition and Consumer Act 2010

Council will adhere to all these provisions in all procurement matters consistent with the Victorian Local Government Best Practice Procurement Guidelines

4.5 Section 186 – Restriction on power to enter into contracts

(1) Before a Council enters into a contract for the purchase of goods or services, or for the carrying out of works, to the value of \$100 000 (or such higher amount as may be fixed by Order in Council) or more, it must—

- (a) give public notice of the purpose of the contract and invite tenders from any person wishing to undertake the contract; or
- (b) give public notice of the purpose of the contract or the project to which the contract relates and invite expressions of interest from any person interested in undertaking the contract or all, or any part of, the project.

(2) If a Council invites expressions of interest—

- (a) it must register those expressions of interest; and
- (b) when it is ready to enter into the contract, it must invite tenders from some or all of those who registered their interest in undertaking the contract (or the part of the project to which the contract relates).

4.5.1 Orders in Council (*Victorian Government Gazette - 7 August 2008 – 1908 G32*)

Local Government Act 1989

ORDER FIXING THE VALUE OF CONTRACTS FOR WHICH A PRIOR PUBLIC TENDER IS TO BE CONDUCTED BY LOCAL COUNCILS

Order in Council

The Governor in Council under section 186(1) of the **Local Government Act 1989** sets the value of –

- a) \$150,000 for contracts for the purchase of goods and services; and
- b) \$200,000 for contracts for the carrying out of works,

for which a Council must, before entering into the contract, give public notice of the purpose of the contract and invite tenders from any person wishing to undertake the contract, or give public notice of the purpose of the contract or the project to which the contract relates and invite expressions of interest from any person interested in undertaking the contract or all, or any part of, the project.

This Order comes into operation on the day it is made.

Dated 5 August 2008

Responsible Minister

RICHARD WYNNE MP

Minister for Local Government

RYAN HEATH

Clerk of the Executive Council

5 OWNER

The owner of this policy is the Chief Executive Officer. Enquiries regarding this policy should be directed to Council’s Manager Revenue & Procurement Services.

6 DEFINITIONS

Term	Meaning
<i>Act (The):</i>	Local Government Act 1989 (as amended)
<i>Ballarat Industry Participation Program (BIPP)</i>	A program adopted by the Ballarat City Council which seeks to maximise the local content achieved through Council’s procurement processes. On tenders where the value is \$250,000+, a local content statement which has been prepared by tenderers becomes applicable where the financial differential between parties finishes within 5% of each other in the financial criteria.
<i>Commercial in Confidence</i>	Information that, if released, may prejudice the business dealings of a party eg: discounts, rebates, profits, methodologies and process information. It is information provided for a specific purpose that is not to be used for any other purpose than set out in the initial document
<i>Conflict of Interest</i>	In Victorian local government, the law provides that a staff member holding a delegation or advising council or a special committee has a conflict of interest which they must disclose in writing when they have a personal or private interest of the type specified in the legislation
<i>Contract</i>	An agreement between two or more authorised persons on behalf of their organisations to perform or not perform a specific act/s that is enforceable in law. A contract may be verbal or written or inferred by conduct. A contract is to be distinguished from a ‘contract pursuant to section 186 of the Local Government Act’
<i>Contract Documents</i>	Documents construed together as an instrument of contract. They may include terms & conditions, specifications, drawings, tender responses, delivery schedules and payment schedules
<i>Contract Management:</i>	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.
<i>Contractor</i>	Respondent (person, firm etc) whose tender/quotation offer has been accepted by the council with or without modification
<i>Council Staff:</i>	Includes full time and part-time Council officers, and temporary employees, contractors and consultants while engaged by the Council.
<i>CSR Practices:</i>	Corporate Social Responsibility. Relates to Council’s supply chain being ethical, knowledgeable, reputable and where possible supporting green and sustainable products.
<i>Emergency</i>	<ul style="list-style-type: none"> Any urgent circumstance which may present a risk to public health and/or safety The failure of a ‘key service provider’

	<ul style="list-style-type: none"> • Significant damage to municipal building (where it is no longer safe) • Major business disruptions such as an extensive IT failure resulting in a loss of services to the community
<i>Evaluation Criteria</i>	The criteria used to evaluate the compliance and/or relative ranking of tender responses. All evaluation criteria must be clearly stated in the request documentation
<i>Expression of Interest:</i>	A response to an open approach, usually by public advertisement, to the market requesting submissions from prospective suppliers interested in procurement. The list of potential suppliers who have provided expressions of interest may be used as the basis for conducting a select tender process
<i>Late Tender</i>	A late tender is one that it is not received in the Tender Box prior to the advertised closing date/time.
<i>Local Content</i>	<p>Defined as labour, materials, plant and supervision which are sourced from within the following municipalities:</p> <ul style="list-style-type: none"> • Ararat Rural City Council, • Ballarat City Council, • Golden Plains Shire Council, • Hepburn Shire Council, • Moorabool Shire Council, • Pyrenees Shire Council.
<i>Prepayment</i>	A payment made for goods/services prior to any works being undertaken
<i>Probity:</i>	A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council'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.
<i>Procurement:</i>	Procurement is the whole process of acquisition of goods, services and works. It can include planning, design, standards determination, specification writing, preparation of quotation and tender documentation, selection of suppliers, financing, contract administration, disposals and other related functions. 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.
<i>Specification</i>	The statement which clearly and accurately describes the essential requirements for goods, services or works. It may also include the procedures by which it will be determined that the requirements have been met and performance required in a contract
<i>Standing Offer Agreement</i>	A contract that sets out rates for goods and services that are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.

<i>Sustainability:</i>	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
<i>Tender</i>	An offer in writing to supply goods and/or services, usually submitted in response to a public or selective invitation such as a Request for Tender
<i>Tender Opening Panel</i>	Will consist of three Council officers, ideally one of which should be a Senior Manager
<i>Tender Process:</i>	The process of inviting parties to submit a quotation or tender by public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
<i>Treatment of GST</i>	All monetary values stated in this policy include GST; unless specifically stated otherwise.
<i>Value for Money:</i>	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 the Council’s priorities, including the Ballarat Industry Participation Program; • non-cost factors such as fitness for purpose, quality, service and support; and 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.
<i>Variance</i>	Is an alteration to the scope of works in a construction contract in the form of an addition, substitution or omission from the original scope of work.

7 PROCEDURE AND GUIDANCE NOTES

Effective Legislative and Policy Compliance and Control - Ethics and Probity

7.1 Requirement

This Policy represents the principles, processes and procedures that will be applied to the purchase of all goods, service and works by council. The scope of this Policy commences from when council has identified a need for procurement requirements. It continues through to the delivery of goods or completion of works or services.

This Policy will apply to Councillors, council staff and all persons undertaking procurement on council’s behalf and they are accountable for complying with all relevant procurement legislative and policy requirements.

7.2 Conduct of Councillors and Council staff

Councillors and members of staff (and all persons engaged in procurement on Council’s behalf) must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny.

All members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest (Section 95 Local Government Act 1989).

In procurement matters:

- Treat potential and existing suppliers with equality and fairness;
- Maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information;
- Members of staff must disclose a direct or indirect interest (and the type of interest) before providing advice or reports (or any other matter) (Section 80C LGA)
- Council officers delegated Council powers or duties are prohibited from exercising those powers, duties or functions if they have conflicts of interest (Section 80B LGA).
- A Councillor must comply with the Primary Principle of Councillor Conduct and avoid conflicts between his or her public duties as a Councillor and his or her personal interests and obligations. (Section 76BA LGA). Councillors (and members of audit committees) must disclose a conflict of interest (Section 79 LGA).
- Councillors must also comply with the Councillor Code of Conduct.
- Councillors must not improperly direct or improperly influence a member of council staff in the exercise of any power on/ in the performance of any duty or function. (Section 76E LGA)
- Members of staff must also comply with the Code of Conduct for Council Staff (Section 95AA LGA)
- All staff engaged in the evaluation of quotation or tender evaluation must adhere to this Policy and complete and lodge a Conflict of Interest Declaration and a Deed of Confidentiality.
- All Councillors and Staff must adhere to councils Gifts and Hospitality Policy in matters of procurement.

Councillors and staff members should make their interests known in any situation where it could be perceived that an interest might unduly influence them.

7.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the *Act*.

7.4 Conflict of Interest

Councillors and Council staff shall at all times avoid situations in which private interest's conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties.

Councillors and Council staff must not participate in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest or holds a position of influence or power in a business undertaking tendering for the work.

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

7.5 Fair and Honest Dealing

During a public tender process, all prospective contractors and suppliers must be afforded an equal opportunity to tender or quote. Impartiality must be maintained throughout the procurement process so that 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, manufacturing and product information.

7.6 Accountability and Transparency

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

Therefore, the processes by which all procurement activities are conducted will be in accordance with the Council's procurement policies and procedures as set out in this policy and related Council policies and procedures.

Additionally:

- The responsible Council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- Where necessary, brief tenderers regarding the documented decision-making process, and
- All procurement activities are to leave an audit trail for monitoring and reporting purposes.

7.7 Gifts and Hospitality

No Councillor or member of Council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public who is involved, either directly or indirectly, with any matter that is connected with the duties of the officer, or in which Council is interested.

Councillors and Council staff must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings.

Councillors and Council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

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

7.8 Disclosure of Information

Information received by Council that is Commercial in Confidence must not be disclosed and is to be stored in a secure location. Councillors and Council staff are to protect, by refusing to release or discuss information to the extent that it is Commercial in Confidence.

This may include:

Information disclosed by organisations in tenders, quotation or during tender negotiations:

- Pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations,
- Councillors and Council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests,
- Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier,
- At no stage should any discussion be entered into with any tendering party or its representative or agent that could have potential contractual implications prior to the contract approval process being finalised, other than authorised pre-contract negotiations.

7.9 Governance Structure

Council shall:

- Establish 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 purchased by Council.

Ensure that Council's procurement structure is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council.

Ensures that prospective contractors and suppliers are afforded an appropriate opportunity to tender/quote;

- Encourages competition; and
- Ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

7.10 Methods of Purchasing

Council's standard methods for purchasing goods, services and works shall be by:

- Flexi-Purchase Card;
- Purchase order following a quotation process;
- Under contract following a tender process; or
- Where Council is satisfied that Value for Money requirements have been satisfied, under purchasing schemes including collaborative purchasing arrangements with other Councils and commercial schemes such as provided by Procurement Australia, the Municipal Association of Victoria and the State Government Purchasing Panel;
- Unless other arrangements otherwise authorised by Council or the CEO on a needs basis as required by abnormal circumstances such as emergencies.

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 a registration of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

A Council Director, Executive Manager or Manager may determine to seek **Expressions of interest** (Section 186(1) of the Act) where:

- there is likely to be many tenderers and tendering will be costly or the procurement is complex; and council does not wish to impose the costs of preparing full tenders on all tenderers
- there is uncertainty as to the willingness and/or interest of parties or vendors to offer the potential products or services or to undertake the proposed works
- The requirement is complex, difficult to define, unknown or unclear,
- The requirement is capable of several technical solutions
- The requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

An **Expression of Interest** process can be undertaken where determined by the CEO, a Director, Executive Manager or Manager and where Council advertises publicly

- the purpose and nature of the contract
- the date by which it will invite tenders.

Tenders and Expression of Interests should not be used to compensate for a lack of understanding as to a council's needs. If uncertain what is required; a simple **Request for Information** should be undertaken. A Request for Information may be undertaken for reasons which include establishing:

- the availability of technologies, products or service available in the market place to meet council needs
- whether proposed terms and conditions or deliverable expectations are acceptable in the market place
- whether proposed budgets are adequate to meet non-standard procurement needs – inadequate budgets should not become apparent when tenders are opened

A Request for Information should be used rather than a Request for Tender or Expression of Interest in order to improve understanding of needs, availability and likely costs.

A Request for Information will be undertaken similar to an Expression of Interest and advertised accordingly. Care must be taken when writing a specification for a Request for Information to ensure there is no commitment to purchase inadvertently included.

7.11 Responsible Financial Management

The principle of responsible financial management must 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, must be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegation. Council staff that breach their delegated authority may face action under Council’s Discipline and Termination Policy (the decision to initiate disciplinary action or other action will be taken by the CEO based on a recommendation by the Director Business Services following consultation with the relevant Director or Executive Manager).

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

8 PROCUREMENT THRESHOLDS AND COMPETITION REQUIREMENT

Council will from time to time decide and publish in this policy clear guidelines for minimum spend competition thresholds. These will be dependent on the size and complexity of the proposed procurement activities.

8.1 Minimum Spend Competition Thresholds (Inclusive of GST)

Financial Thresholds (AUS\$ inc GST)	Requirements			
	Process Managed by	Market Engagement	Agreement Type	Documentation
< \$5,000	Business Unit	1 Verbal Quote	P-Order P-Card	Quotes must be Registered*
\$5,001 to \$25,000		1 Written Quote [#]		
\$25,001 to \$124,999		3 Written Quotes [#]		
\$125,00 to \$249,999	Procurement Unit	Tender	Contract	Evaluation Report
> \$250,000				Evaluation Report plus BIPP

*Quotes over \$25,000 must be registered in eBMS system

A minimum of one of the three quotes **must be** obtained from a local supplier/provider wherever possible.

8.2 Threshold Margin

If a procurement budget is within 5% of the nearest threshold, then the greater threshold requirements must be adhered to. eg: Budget for item is \$119,000 (inc GST), then the requirement for 3 quotes is superseded by the requirement to Tender.

8.3 Payments

Payment for Works or Services will be made by the Principal on submission of Tax invoices by the Contractor in accordance with Council’s payment policies.

Payment of all claims shall be subject to approval by the Principal's Authorised Officer that requested the works. All invoices shall be submitted in accordance with the Schedule of Rates forming part of the contract.

8.3.1 Prepayments

Prepayments for any goods/services cannot be made without the prior approval of the Director Business Services or the Chief Executive Officer

8.4 Use of Agents

Council encourages (when available) the services of a third-party agent such as MAV Procurement or Procurement Australia to undertake the Tender process on behalf of Council where it can be shown that Best Value for Money would be achieved.

The Act allows for councils to form groups for the procurement of goods, services or works with one member of the group, acting as an agent for the other councils, undertaking a single competitive process. Each of the members of this group are able to enter into a contract with the preferred service provider identified through this competitive process. Council encourages group tenders with surrounding municipalities, particularly where it can be shown that Best Value for Money would be attained.

When procurement is being planned, due diligence should be undertaken to evaluate if Best Value for Money can be achieved by using an Agent or a collective group tender.

Procurement Unit is to be notified when a third-party agent is appointed.

8.5 Total Cumulative spend

Care should be taken when reviewing the limits at 8.1 (above). In order to comply with the requirements of the Act where significant sums are spent in aggregate with one supplier or on one service, it is necessary to structure procurement proposals (as requests for tenders, quotations or prices) in order to achieve greatest value and supplier performance by leveraging this cumulative spend, rather than treating each discrete arrangement as a separate procurement exercise. Council has determined that the Cumulative expenditure to a supplier or for a specific product/service for a period of up to two years is to be taken into account unless the exemption is approved by the Chief Executive Officer.

For example, if council is spending \$70,000 on stationery items each year. Council determines that the optimum period for obtaining value for money is 2 years. The indicative value of the contract is \$140,000 and it is therefore subject to the legislative requirement to seek tender proposals through a public process.

Should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better result for the council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below the thresholds set under this Policy.

In circumstances considered appropriate by the CEO, the thresholds under this policy for expenditure on goods and services or construction works relating to a specific project or contract, may be varied to align with values fixed under the Local Government Act 1989 (i.e. \$150,000 for goods and services and \$200,000 for carrying out of works).

8.6 Preferred Suppliers (Panel)

A Preferred Supplier is a contractor/company that has been appointed following an open Tender process. Preferred Suppliers cannot be appointed in any other manner. Unless specified during a tender process no minimum quantity of sales or turnover is guaranteed to a Preferred Supplier Panel member.

Benefits of appointing a Panel of Preferred Suppliers can include:-

- Savings in time and money
- Provide higher level of quality
- Faster turnaround times
- Increased confidentiality

Council's Preferred Suppliers should always be utilised whenever possible. A full list is available from the Intranet (BOB). When utilising Preferred Suppliers "best value for money" should always be the first consideration.

If a Preferred Supplier has provided a Schedule of Rates for services during the Tender process, there is no requirement to obtain three quotes; a direct appointment can be made. If a Schedule of Rates was not provided the quoting requirements outlined in Clause 8.1 must be adhered to. Any single purchase greater than \$125,000 must go to Tender.

9 DETERMINING THE PROCUREMENT VEHICLE

9.1 Tender

The acquisition of goods and services for which the estimated expenditure exceeds \$125,000, and carrying out of works for which the estimated expenditure exceeds \$125,000 must be undertaken by public tender.

9.2 Expression of Interest

An expression of interest is a two-step process. When the thresholds are met an Expression of Interest process does not replace the need to call tenders. It simply precedes the calling of tenders and generally seeks to constrain the number of, and focus the quality and detail, of tenders received. An Expression of Interest process is generally structured with the following components:

- overview of requirements
- invitation to submit
- criteria for evaluating
- form of (respondents form)

An expression of interest should be used in circumstances where –

- there is likely to be many tenderers, tendering will be costly or the procurement is complex
- there is uncertainty as to the interest of suppliers or vendors to offer the potential products or services or to undertake the proposed work

9.3 Quotations

Purchase of goods and services up to \$124,999 and works up to \$124,999 in a single contract or supply arrangement may be undertaken using the procurement by quotation method as described below. Payment for these purchases to your delegated financial authority may either be by City of Ballarat Purchase Card or through Accounts Payable (A purchase order must be raised if using Accounts Payable).

9.3.1 Items of value up to \$5,000

To achieve best value for the City of Ballarat the seeking of verbal and/or written quotations is encouraged. As a minimum one verbal quotation should be obtained.

9.3.2 Items with a value – \$5,001 to \$25,000

One written quotation must be obtained

9.3.3 Items with a value – \$25,001 up to \$124,999.

Three written quotations to be obtained, one of the three quotes (as a minimum) must be obtained from a local supplier wherever possible. In the event that this is not possible the purchasing officer is to advise the Economic Development Unit so that supply gaps can be tracked.

Public advertising is not required but should be used when judged to be sufficiently advantageous to Council.

Quotations returned by the nominated closing date must be evaluated and a recommendation made in favour of the supplier offering the best value for money outcome. All Quotes over \$25,000 must be registered in the eBMS system.

Reasons for any non-conformance to this requirement must be documented and filed within Council's records system for audit purposes.

9.4 Insufficient Quotations

The situation may arise where insufficient quotations are received to satisfy the above requirements. This may occasionally occur where there are few suppliers for the goods, services or works being sought. In this case, the details of the contacted suppliers must be recorded in eBMS or recommendation and an appropriate comment recorded.

There may be occasions when only one quotation may be received. Such occasions would require approval of the Chief Executive Officer or the Director Business Services, and would generally be considered under the following circumstances:

- In the event of emergency works for safety reasons
- When there is only one known and reputable supplier.

10 TENDER EVALUATION

- Late tenders will not be accepted under any circumstances. ***CLARIFICATION*** If an electronic tender submission has been commenced using Tenderlink prior to the closing date/time, and the transmission is interrupted due to tender closing time; and the commencement of submission transfer can be verified by Tenderlink the submission will be deemed to be received
- A Tender evaluation panel will be established to evaluate each tender against the selection criteria and its composition will be determined by the respective Director or Executive Manager.
- Evaluation Panel must have a minimum of three members (minimum two Council staff) and may include external consultants who are specialist in the area
- The evaluation process must be robust, systematic and unbiased
- Once a preferred tenderer is selected negotiations may be conducted in order to obtain the optimal solution and commercial arrangements, providing they remain within the intent and scope of the tender. Such negotiations must be exhausted with one tenderer before beginning with another tenderer
- Tender evaluation panels will produce a written report of their evaluation using the appropriate prescribed template.
- Tender Evaluation must be updated in eBMS Tender & Contract Management System

10.1 Evaluation Criteria

To ensure the Best Value for Money outcome is achieved for Council; the Evaluation Criteria is based on individual project/procurement priorities and must be included in the Request for Tender documentation. The following Mandatory Evaluation Criteria must be included in all tender evaluations and for transparency reasons, must also be clearly identified in the Request for Tender documents:

Mandatory Criteria	Weight
Price	30%
Level of Local Content provided or likely to be provided in the event the Applicant is successful in the Tender <i>(updated May 2013)</i>	10%
The financial viability of the Applicant to ensure the completion of the delivery of the goods and services applicable to the Tender. Financial assessment is to be undertaken by an independent organisation appointed by Council	Pass/Fail

10.1.1 Occupational Health & Safety (OH&S)

OH&S is a mandatory evaluation criterion with a pass/fail weighting. The determination if a company meets the required standard is determined by the responses provided by the contractor from the information provided in the returned OH&S Schedule (Appendix 3).

In addition to the above Mandatory Criteria (40%) the Discretionary Criteria (60%) which is project specific must also be included in the Request for Tender documents. Evaluation Criteria must be justifiable and quantifiable.

10.2 Evaluation Process

1. Evaluation Panel to review OH&S Schedule to ensure conforming. If not conforming the submission will be considered to fail the mandatory requirements and will not be evaluated further
2. Evaluation Panel to review all submissions received and rate each submission based on the Mandatory (Price and Local Content) and Project Specific criteria
3. eBMS Tender & Contract Management System to be updated with Evaluation scores
4. Top two (2) submissions from previous step to have Financial Assessment undertaken – contact Procurement Unit or Finance Unit to organise
5. Result of Financial Assessment will be reviewed by Procurement and Finance Units and will be classified as either Pass or Fail
 - a. A pass indicates that the Financial Assessment has shown the financial ability of the applicant to provide goods/services
 - b. A fail indicates that the Financial Assessment has shown the inability of the applicant to provide goods/services
6. Dependant on the outcome of the Financial Assessment the Evaluation Panel will either finalise the evaluation process and proceed with relevant reporting, or, on the off chance Financial Assessment fail for the tested applicants; readdress the evaluation process
7. Financial Assessment should be completed prior to Recommendation being submitted to the Contracts Committee or Council. If not, recommendation will be “subject to positive Financial Assessment”
8. Due to the confidentiality of the Financial Assessment the documents will be held by the Procurement Unit electronically and not distributed.

The Financial Assessment process will add an additional five (5) to seven (7) working days to the evaluation process and is conducted by an independent external company, currently Corporate Score Card.

For projects where the same applicants submit and are awarded contracts; the Financial Assessment process would only need to be undertaken on an annual basis. An example of this would be road works/Infrastructure.

10.3 Non-Conforming Tenders

All tender submissions on receipt will be reviewed by the “Tender Opening Panel” to ensure that required schedules have been submitted.

A tender submission will be deemed non-conforming if:-

1. Required schedules have not been included or incomplete
2. Submission has not met specification requirements

A tender submission may be deemed as non-conforming during the Evaluation process, the evaluation panel should quarantine the submission and advise Procurement Unit for further review/confirmation.

Council may sometimes receive tenders which offer one or more alternatives where these were not sought in the tender documentation. Council should always be open to innovative proposals as they may offer excellent opportunities for improvements and are consistent with the legislative objectives for councils to achieve continual improvement. Tender documentation where innovative solutions are sought should specifically invite non-conforming tenders which council can consider along with all other tenders.

A Tenderer submitting a non-conforming tender shall fully detail the extent of any variance from the tender documents in tender Schedule headed “Statement of Conformance”. If the “Statement of Conformance” is not correctly completed the tender may not be further considered.

10.4 Ballarat Industry Participation Program (BIPP)

Where the value of a Tender for a Contract exceeds \$125,000¹, the Tender document is to include a requirement that all Applicants MUST complete a “BIPP” statement. A pro-forma BIPP Statement should be included within the Request for Tender documentation. It should be clearly noted that such BIPP Statements should be sealed within a separate envelope by the Applicant and firmly affixed to the Applicants submitted Tender documentation. If a Tender is submitted using Council’s electronic tender service - Tenderlink, the BIPP statement must be a separate document.

It is important to clearly outline within the Request for Tender documentation when a tender requires a BIPP Statement. The BIPP Statement will remain unopened by any Council officer until the Weighted Evaluation Score is determined by the Tender Evaluation Panel.

Only after the Weighted Evaluation Scores are calculated will the Tender Evaluation Panel evaluate the BIPP Statement of the Applicant with the highest Weighted Evaluation Score. Applicants should be clearly advised within the Request for Tender documentation that if they provide a BIPP Statement that is deemed unsatisfactory² by the Tender Evaluation Panel that regardless of their Weighted Evaluation Score their Tender may be rejected.

After evaluation of the BIPP; should the submission with the highest Weighted Evaluation score prove unsatisfactory and is rejected, the Evaluation Panel will then review other applicants BIPP submissions whose tender price is within five percent (5%) of the first

¹ Tenders over \$125,000 and up to \$249,999 need only complete the “Statement of Local Content” Schedule provided. Tenders exceeding \$250,000 must complete both the “Statement of Local Content” and the “BIPP Statement”

² Local Content was not addressed or not satisfactory

selected submission. If after this review the Evaluation Panel considers that the BIPP statement of an Applicant is of sufficient merit to warrant their selection over the Applicant that achieved the highest initial Weighted Evaluation score, then the Evaluation Panel may choose to award the tender to the successive submission.

10.5 Acceptance of Tenders:

The chairperson of the evaluation panel will:

- maintain detailed records of all commercial-in-confidence negotiations, if any occur
- obtain approval for public tenders according to the below Delegation of Authority Requirements.

10.6 Delegation of Authority 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, quotation, tender and contractual processes without prior referral to Council. This enables Council 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.

10.7 Delegations Reserved for the Council

10.7.1 Council Staff

Council 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 contained in financial delegation's policies:

- Acceptance of tenders;
- Acceptance of quotes;
- Contract term extensions (within authorised budget);
- Contract amendment (financial and non-financial);
- Appointment to register of pre-qualified suppliers;
- Flexi purchase Card purchases; and
- Procedural exceptions.

10.7.2 Delegations Reserved for the Council

Commitments and processes which exceed the CEO's delegation, and which must be approved by Council are:

- Signing and sealing of contract documents; and

- Tender recommendations and Contract approval for all expenditure over \$250,000 for goods and services and capital works in value.

10.8 Internal Controls

Council 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 each transaction 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.
- All persons engaged in procurement processes must diligently apply all internal controls.

10.9 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, published (where applicable) in an appropriate manner in accordance with the relevant Council guidelines.

11 TENDER/CONTRACT MANAGEMENT

11.1 Risk Management

Council will manage all aspects of its procurement processes in accordance with its adopted Risk Management Policy and in such a way that all risks are identified, analysed, evaluated, treated, monitored and communicated to the standard required by the law, in accordance with Australian Standards and council policy.

11.2 Health and Safety

To ensure the health and safety of our workers and visitors, procurement will be undertaken in accordance with requirements set out in the City of Ballarat Health and Safety Management System and approved policies (eg. HS-12 Contractor Management / HS-32 Chemical Management / HS-34 Plant & Equipment) and as required by the law.

11.3 Supply by Contract

The provision of goods, services and works by contract, potentially exposes the Council to risk. Council will minimise its risk exposure by measures such as:

- Standardising contracts to include current, relevant clauses;
- Requiring Bank Guarantees or Security Deposits where appropriate;
- Referring specifications to relevant experts;
- Requiring contractual agreement before allowing the commencement of work;
- Use of or reference to relevant Australian Standards (or equivalent); and
- Effectively managing the contract including monitoring and enforcing performance.

11.4 Contract Terms

All contractual relationships must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be sought from the Director Business Services. A request for such an approval should be supported with procurement and legal advice as relevant.

To protect the best interests of Council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to doing this expose Council to risk and thus must be authorised by the appropriate member of Council staff listed in the delegation's section above.

11.5 Endorsement

Council staff must not endorse any products or services. Individual requests received for endorsement must be referred to Director Level or above.

11.6 Dispute Resolution

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

11.7 Contract Management

The purpose of contract management is to ensure that Council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:

- Establishing a system reinforcing the performance of both parties' responsibilities and obligations under the contract; and
- Providing a means for the early recognition of issues and performance problems and the identification of solutions.

All Council contracts are to include contract management requirements.

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 Council receives value for money.

11.8 Variances

During the course of a contract there may be valid reason(s) when the contract needs to be varied; this variance to the contract normally comes with a cost. All claims for variances must be in writing and approved by the officer with delegated authority as set out in Clause 10.6. Any variance greater than ten percent (10%) of the original contract price must be authorised by the following, dependant on the initial approval:-

- Director
- Contracts Committee or Council

12 DEMONSTRATE SUSTAINED VALUE, INTEGRATION WITH COUNCIL STRATEGY

Council's procurement strategy shall support its corporate strategy, aims and objectives, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community such as:

- Feeling safe,
- Living in a clean and pleasant environment, and
- Receiving good quality well managed Council services that are Value for Money

12.1 Achieving Best Value for Money

The Council's procurement activities will be carried out on the basis of obtaining Best 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 determinate of Best Value for Money.

12.2 Approach

This will be facilitated by:

- Developing, implementing and managing procurement strategies that support the coordination and streamlining of activities throughout;
- Effective use of competition;
- Using centralised contracts and Standing Offers Agreement where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender process including appropriate use of e-solutions;
- Council staff responsible for providing procurement services or assistance within Council providing competent advice in terms of available products and agreements; and
- Working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

13 ROLE OF SPECIFICATIONS

Specifications used in quotations, tenders and contracts are to support and contribute to Council's Best Value for Money objectives through being written in a manner that:

- Ensures impartiality and objectivity;
- Encourages the use of standard products;
- Encourages sustainability;
- Eliminates unnecessarily stringent requirements; and
- Wherever possible specifies technical standards and requirements that are within the capabilities of local and other suppliers.

14 PERFORMANCE MEASURE AND CONTINUOUS IMPROVEMENT

Appropriate performance measures are to be established and reporting systems will be used to monitor performance and compliance with procurement policies, procedures and controls.

Procurement procedures, practices and costs will be benchmarked externally. Internal service standards will be agreed within Council and performance against these targets will be measured and reviewed regularly to support continuous improvement. The performance measurements developed will be used to:

- Highlight trend and exceptions where necessary to enhance performance;
- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers;
- Facilitate relevant programs to drive improvement in procurement to eliminate waste and inefficiencies across key expenditure categories.

15 SUSTAINABILITY

Council is committed to achieving sustainability and ensuring it monitors and reports on Council activities and programs that have an impact on or contribute to the environment including but not limited to:

- Waste management,
- Recycling,
- Energy management,
- Emission management,
- Water conservation,
- Green building design, and
- Procurement.

15.1 Sustainable Procurement

Sustainable procurement is the acquisition of necessary goods and services that have least impact on the environment and human health, within the purchaser's capacity to do so.

The City of Ballarat recognises it has an implicit role in furthering sustainable development, through its procurement of goods, and services and works.

In addition, the City of Ballarat recognises the potential impact this spend has on the environment and where applicable will integrate sustainability, environmental and social issues into the procurement process. The Council aims to achieve this by:

- Taking into account the need to minimise emissions and reducing the negative impacts of transportation when purchasing goods and services
- Taking steps to minimise carbon dioxide and other greenhouse gas emissions through the detailed consideration of products and services procured
- Considering the environmental performance of all suppliers and contractors, and encouraging them to conduct their operations in an environmentally sensitive manner

- Considering the basic life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products
- Selecting products / services that have minimal effect on the depletion of natural resources and biodiversity
- Working more effectively with local suppliers to ensure they are encouraged to bid for the Council's business in line with the Procurement Policy
- Ensuring all relevant procurement contracts and tenders contain sustainability specifications as appropriate to the product or service being procured.

15.2 Environmental Purchasing³

Environmental purchasing is the inclusion of environmental factors in decisions on the purchase of products and/or services. It is sometimes called “green”, “sustainable” or “environmentally preferable” purchasing. The aim of considering environmental factors is to buy products or services that have less impact on the environment and human health than otherwise comparable products or services. Environmental purchasing can achieve a number of benefits:-

- reduce energy and water consumption (which can reduce costs)
- improve resource use efficiency
- reduce waste (which can reduce waste disposal costs)
- reduce environmental health impacts of products and services
- reduce pollution
- provide markets for new environmentally preferable products
- “close the loop” on recycling, improving the viability of recycling
- provide leadership to the community
- encourage industry to adopt cleaner technologies and produce products with lower environmental impacts

16 Support of Local Business

Council is committed to buying from local businesses where such purchases may be justified on Best Value for Money grounds.

Wherever practicable, Council will fully examine the benefits available through purchasing goods, services or works from suppliers/contractors within the Ballarat Region. Council will also seek from prospective suppliers/contractors where applicable what economic contribution they will make to the Ballarat region. All quotes should allow a ten percent (10%) evaluation allowance for local businesses.

³ Excerpt from the Commonwealth of Australia Environmental Purchasing Guide

16.1 Purchases \$25,000 to \$124,999

Council will endeavour to obtain a minimum of one of the three quotes for purchases between \$25,000 and \$124,999 from a local supplier. In the event that this is not possible, the purchasing officer will advise the Economic Development Unit so that supply gaps can be tracked and matched with future business opportunities.

16.2 Purchases over \$125,000

For purchases \$125,000 and above Council requires that a public tender process is undertaken. All 'Request for Tender' documents must include a Local Content Statement⁴ which is an abridged version of the BIPP statement. This allows tenderers to accurately calculate the local content of their tender. The Tender Evaluation Criteria Matrix⁵ will include a mandatory weighting of ten (10) percent for local content.

17 SOCIAL PROCUREMENT

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. For Local Government, social procurement builds on initiatives already undertaken by the sector in enhancing sustainable and strategic procurement practice, enabling procurement to effectively contribute to building stronger communities. Social procurement is a key mechanism by which to generate wider social benefits by providing a mechanism for linking and integrating social and economic agendas.

City of Ballarat supports social procurement when engaging local suppliers, contractors and/or service providers and would seek Ministerial Exemption when the required works provide value for money to Council and would be advantageous to any of the following:-

- Employment of disadvantage groups
- Employment of Apprentices
- Employment of recognised Youth Traineeships
- Employment of Youth labour
- Benefits to local community

18 DIVERSITY

Promoting equality through procurement can improve competition, Best 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 opportunities wherever possible.

⁴ Appendix 1 – Schedule B “Statement of Local Content of Tender

⁵ Appendix 2 – Evaluation Matrix

19 APPLY A CONSISTENT AND STANDARD APPROACH

Council will provide effective and efficient commercial arrangements for the requisition of goods and services.

20 STANDARD PROCESSES

Council will provide effective commercial arrangements covering standard products and provision of standard services across Council to enable employees to source requirements in an efficient manner.

This will be achieved via establishing the following:

- Pricing where relevant;
- Processes, procedures and techniques;
- Tools and business systems (e.g. implementing the appropriate e-catalogue arrangements or e-sourcing arrangements);
- Reporting requirements;
- Application of standard contract terms and conditions.

21 PERFORMANCE INDICATORS

A list of performance indicators will be developed to measure procurement performance.

They will include criteria such as:

- The proportion of expenditure against corporate contracts;
- User and supplier satisfaction levels;
- Knowledge and skill of Council employees in procurement process;
- Level of compliance and understanding of Council procurement policies.

22 MANAGEMENT INFORMATION

Council seeks to improve its performance by capturing and analysing procurement management information in a variety of areas, including:

- Volume of spend;
- Number of transactions per supplier;
- Supplier performance;
- User satisfaction;
- Category management; and
- Green spend

Council will also use external sources of management information to assist with the procurement decision making process including:

- Benchmarking data;
- Information from professional bodies such as the Chartered Institute of Purchasing and Supply Australia;
- Supplier reports.

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

23.1 Developing and Managing Suppliers

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

- Managing existing suppliers, via the appropriate development programs and performance measurements to ensure the benefits are delivered,
- Maintaining approved supplier lists,
- Developing new suppliers and improving the capability of existing suppliers where appropriate.

23.2 Supply Market Development

A wide range of suppliers should be encouraged to compete for 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:

- Local businesses
- Green suppliers
- Small to medium sized enterprises
- Social enterprises
- Ethnic and minority business
- Voluntary and community organizations.
- Local Content.

23.3 Relationship Management

Council is committed to developing constructive long-term relationships with suppliers. It is important that Council identifies its key suppliers so that its efforts are focused to best effect. Such areas may include:

- Size of spend across Council;
- Criticality of goods / services supplier, to the delivery of Council's services;
- Availability of substitutes;
- Market share and strategic share of suppliers.

23.4 Communication

External communication is very important in ensuring a healthy interest from potential suppliers and partners to Council. The external website will provide:

- Information about Council and how to become an approved supplier,
- A list of existing and forthcoming contract opportunities, projected over a number of years,
- Guidelines for doing business with Council,
- Standard documentation used in the procurement process,

- Links to other relevant sites.

24 CONTINUAL IMPROVEMENT

Council is committed to continuous improvement and will review the procurement policy on an annual basis, to ensure that it continues to meet its wider strategic objectives.

25 COMPLIANCE RESPONSIBILITIES

- Council staff
- Councillors
- Special Committees
- Contractors

26 CHARTER OF HUMAN RIGHTS COMPLIANCE

Council will ensure that all of its procurement operations are fully consistent with the prescribed rights and responsibilities and that they respect the fundamental rights within the Victorian Charter of Human Rights and Responsibilities Act 2006 (Vic).

27 REFERENCES AND RELATED POLICIES

Acts	Local Government Act 1989
Regulations	
Codes of Practice	Victorian Government Procurement Board, July 2010 Victorian Audit-General, Report Tendering and Contracting in Local Government, tabled in Parliament, 24 February 2010.
Guidance notes	DPCD: Circular No. 06/2006, Local Government Procurement and Capacity to Appoint Agents. DPCD Local Government Best Practice Procurement Guidelines, 2013 Social Procurement: A Guide for Victorian Local Government
Australian Standards	
Related Policies	Councillor Code of Conduct HR-07 Code of Ethics and Conduct Ballarat Industry Participation Program GV-04 Gift and Hospitality Policy

28 Appendix 1 – Statement of Local Content

SCHEDULE B

STATEMENT OF LOCAL CONTENT OF TENDER

Tenderers are required to accurately calculate the Local Content of their tender. These values shall be provided in percentage and monetary terms in the table below. Failure to do so will result in 0% weighting in the evaluation process.

Definitions:

“Local Content” is defined as labour, materials; plant and supervision which are sourced from within the the following municipalities:

- **Ararat Rural City Council**
- **Ballarat City Council**
- **Golden Plains Shire Council**
- **Hepburn Shire Council**
- **Moorabool Shire Council**
- **Pyrenees Shire Council**

“Other” is additional factors or content defined by attachment to this schedule deemed by the tenderer to support “Local Content”

<i>ITEM</i>	<i>PERCENTAGE OF LOCAL CONTENT</i>	<i>VALUE OF LOCAL CONTENT (excl. of GST)</i>
<i>Labour</i>	%	\$
<i>Materials</i>	%	\$
<i>Plant</i>	%	\$
<i>Supervision</i>	%	\$
<i>Other:-</i>		
	%	\$
	%	\$
	%	\$
	%	\$
	%	\$
	%	\$
	TOTAL	\$

29 Appendix 2 – Evaluation Matrix

Criteria	Score	Weighting	Weighted Score
1. Mandatory Criteria			
• Price	/ 30	30%	N/A
• The level of Local Content provided or likely to be provided in the event the Applicant is successful in the Tender	/ 10	10%	N/A
• The financial viability of the Applicant to ensure the completion of the delivery of the goods and services applicable to the Tender			Pass / Fail
• Occupational Health & Safety Compliance			Pass / Fail
TOTAL MANDATORY CRITERIA	/40	40%	N/A

30 Appendix 3 – Occupational Health & Safety Schedule

		YES	NO
1.1	Does your organisation have >\$20 Million Public Liability Insurance ? If Yes, please provide a copy of Certificate of Currency	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Where applicable to the works or services being provided does your organisation have Product Liability Insurance ? If Yes, please provide a copy of Certificate of Currency	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Where applicable to the services being provided, does your company have Professional Indemnity Insurance ? If Yes, please provide a copy of Certificate of Currency	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Is your organisation WorkCover Certified ? If Yes, please provide a copy of Certificate of Currency	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Does the works being tendered for require High Risk Licences? If Yes, please provide copies.	<input type="checkbox"/>	<input type="checkbox"/>

		YES	NO
2.1	Do you currently have an accredited OH&S System to AS/NZS 4801, OHSAS 18001 or ISO 45001 ? If Yes, please provide a copy of your certification and evidence of most recent audit	<input type="checkbox"/> 15 Points	<input type="checkbox"/> 0 Points

If yes move to section 4

		YES	NO
3.1	MANDATORY - Do you have an Occupational Health & Safety Policy? If Yes, provide a copy of the policy	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.2	Do you have and use an OH&S Manual or Work Plan? If Yes, provide a copy of the front page and contents page	<input type="checkbox"/> 2.0 Points	<input type="checkbox"/> 0 Points
3.3	Do you use a SWMS (Safe Work Method Statement), JSA (Job Safety Analysis) or SOP (Safe Operating Procedure) for the proposed works? If Yes, please provide a copy.	<input type="checkbox"/> 1.5 Points	<input type="checkbox"/> 0 Points
3.4	Are records kept of operator training, inductions and competencies, such as licences and qualifications? If Yes, please provide a register of relevant qualifications and Licenses	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.5	Do you have and use procedures for identifying, assessing and controlling manual handling risks? If Yes, please provide a copy of procedure.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.6	Do you have and use procedures for storing and handling hazardous substances? This also includes office based substances. If Yes, please provide a copy of hazardous substance register.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.7	Do you have a Roles & Responsibility Plan? If Yes, please provide a copy.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.8	Is there a formal mechanism for OH&S consultation in your Organisation? If Yes, please provide a copy of recent OH&S minutes or toolbox meeting.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.9	Do you have and use procedures by which employees can report hazards? If Yes, please provide details below and a recent example.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points

3.10	When a hazard is identified, do you conduct a risk assessment of that hazard? If Yes, please provide a copy of your Risk Assessment form.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.11	Do you have an Incident Investigation Procedure and Incident Reporting form? If Yes, please provide a copy of each.	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points
3.12	Do you use Equipment inspection checklists? If Yes, please provide a copy of inspection checklist.	<input type="checkbox"/> 1.5 Point	<input type="checkbox"/> 0 Points
3.13	Do you use workplace inspection checklists? If Yes, please provide a copy of inspection checklist.	<input type="checkbox"/> 1.0 Point	<input type="checkbox"/> 0 Points
3.14	Does your business have and use any permit to work systems? <i>For example, hot works, electrical isolation and working at heights etc.</i> If Yes, please provide an example of a recent permit.	<input type="checkbox"/> 1.0 Point	<input type="checkbox"/> 0 Points
3.15	Do you have elected Health & Safety Representatives (HSR)? If so, please provide names(s) and details of initial training and any refresher training, if not listed in training register from 6.3	<input type="checkbox"/> 0.5 Point	<input type="checkbox"/> 0 Points

		Number	Points
4.1	Have you had any prosecutions for breaches of the OHS Act 2004 in the last 5 years? Detail:	0 1 2 3+	10 5 1 0
4.2	Have you had issued any enforceable undertakings in the last 5 years? Detail:	0 1 2 3+	10 5 1 0
4.3	Value of enforceable undertaking: \$	\$0-10,000 <\$50,000 <\$100,00 >\$100,000	10 5 1 0
4.4	How many improvement notices or prohibition notices have you had in the last 5 years: Number:	0-5 6-10 11-15 16-20 20+	10 9 8 7 5
4.5	How many notices in the last 5 years have you had that required you to cease work until issue was rectified: Number:	0 1 2 3+	10 5 1 0
		Total = X/10	