



WARRNAMBOOL
CITY COUNCIL

Procurement Policy

POLICY TYPE: Council

APPROVAL DATE: 5 October 2021

REVIEW DATE: 1 June 2025

DOCUMENT CONTROL

Document Title:	<i>Procurement Policy</i>
Policy Type:	<i>Council</i>
Responsible Branch:	<i>Legal, Strategy and Procurement</i>
Responsible Officer:	<i>General Counsel, Strategy and Procurement</i>
Document Status:	<i>Adopted</i>
Approved By:	<i>Council</i>
Adopted Date:	<i>4 October 2021</i>
Review Date:	<i>1 June 2025</i>

TABLE OF CONTENTS

1. INTRODUCTION 3

 1.1. Purpose and scope 3

 1.2. Definitions 3

 1.3. Treatment of GST 4

 1.4. References 4

2. BEST PRACTICE PRINCIPLES 4

 2.1. Conduct of Councillors and Council Officers 4

 2.2. Value for money 5

 2.3. Fair, honest and transparent dealing 5

 2.4. Accountability 5

 2.5. Gender Impact Assessment 6

 2.6. Fraud and corruption control 6

 2.7. Competition and Consumer Act compliance 6

 2.8. Risk management 6

 2.9. Probity Auditor 6

 2.10. Disclosure of information 7

 2.11. Record keeping 7

 2.12. Sustainable procurement 7

 2.13. Support for local content 8

 2.14. Collaborative procurement 9

 2.15. Model of procurement 10

 2.16. Procurement delegations 10

 2.17. Exemptions from market engagement methods 11

 2.18. Public process 12

3. PROCUREMENT METHODS AND PROCESS 13

 3.1. Procurement Methods 13

 3.2. Procurement Processes Overview 13

4. GOVERNANCE 13

 4.1. Owner 13

 4.2. Review 13

 4.3. Compliance Responsibility 14

 4.4. Charter of Human Rights Compliance 14

1. APPENDICES 15

1. INTRODUCTION

1.1. Purpose and scope

Council is required under section 108 of the *Local Government Act 2020 (Vic)* (**Act**) to prepare and adopt a Procurement Policy. In accordance with the Act, this Policy specifies the key principles, processes and procedures applying to the purchase of Goods, Services and Works by Council.

This Policy has been developed in consultation with the South West Regional Councils with a view to facilitating smooth collaborative procurement processes, consistent with the Act.

This Policy applies to all procurement activities undertaken by Council and applies to Councillors, Council Officers, Committees, contractors and consultants in all circumstances while engaged by Council. The role of Councillors under this Policy is not an administrative rather but limited to the final assessment of a procurement in accordance with the relevant financial delegation limits.

1.2. Definitions

Term	Definition
Act	means the <i>Local Government Act 2020 (Vic)</i> or the <i>Local Government Act 1989 (Vic)</i> as applicable.
Collaborative Procurement Arrangement	a contract established by Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV) or a local government entity, for the benefit of numerous state, federal and/or local government entities and others that achieves best value by leveraging combined economies of scale.
Conflict of Interest	means a Councillor, member of a delegated committee or Council Officer has: (a) a general conflict of interest in a matter if an impartial fair minded person would consider that the person’s private interest could result in that person acting in a manner that is contrary to their public duty; or (b) a material conflict of interest in respect of a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter, each as defined in Division 2 of the Act.
Committee	means a duly authorised committee of Council including delegated committees and advisory committees.
Council	means Warrnambool City Council.
Councillor	means a person who has been elected to the office of councillor on Council.
Council Officer	means a current member of Council staff as well as any contractors and consultants who have the authority to engage in activities on behalf of Council.
Emergency	means an emergency due to the actual or imminent occurrence of an event which requires immediate action including the following: (a) an earthquake, flood, wind-storm or other natural event; (b) a fire; (c) an explosion; (d) a road accident or any other accident; (e) a plague, epidemic, pandemic or contamination;

Term	Definition
	(f) a warlike act or act of terrorism, whether directed at Victoria or a part of Victoria or at any other State or Territory of the Commonwealth; (g) a hi-jack, siege or riot; and (h) a disruption to an essential service.
Goods, Services or Works	means the deliverable(s) the preferred Invitee will be required to provide to Council, when the conditions of contract have been agreed between the preferred Invitee and Council.
Invitee	means a company, person or other legal entity which submits a tender or quote; and includes, where the context permits, prospective Invitees and other recipients of the request for tender or request for quote.
Local Business	means a commercial business with an operational premises that is physically located within the municipal borders of the South West Regional Councils.
Local Content	means the labour, materials, plant and supervision that is sourced from within the municipal borders of the South West Regional Councils.
South West Regional Councils	means the Council's of the South West region in Victoria including Warrnambool City Council, Moyne Shire Council, Corangamite Shire Council, Southern Grampians Shire Council and Glenelg Shire Council.

1.3. Treatment of GST

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

1.4. References

Council's procurement activities will be carried out in compliance with the following legislation and Council policies and procedures:

- Act;
- *Competition and Consumer Act 2010* (Cth);
- *Freedom of Information Act 1982* (Vic);
- *Independent Broad-based Anti-corruption Commission (IBAC) Act 2011* (Vic);
- *Occupational Health & Safety Act 2004* (Vic);
- *Privacy Act 1988* (Cth);
- *Public Records Act 1973* (Vic);
- *Security of Payments Act 2002* (Vic);
- *Victorian Local Government Best Practice Procurement Guideline 2013* (or as updated);
- Procurement Manual;
- Gender Impact Assessment Policy;
- Risk Management Policy;
- Health & Safety Policy;
- Corporate Card Policy;
- Gift and Benefits Policy;
- Fraud and Corruption Control Policy;
- Councillors Code of Conduct;
- Staff Code of Conduct;
- Instrument of Delegation; and
- Sustainable Building Policy.

2. BEST PRACTICE PRINCIPLES

Council is committed to effective procurement through adopting best practice principles, policies and procedures to support Council objectives regarding sustainable and socially responsible procurement, supporting local economy and obtaining Value for Money, which in turn, will lead to a better outcome for Council in the provision of services for the community. Each principle is detailed below.

2.1. Conduct of Councillors and Council Officers

2.1.1. Ethics

Councillors and Council Officers must at all times conduct themselves in ways that are and are seen to be, ethical with the highest integrity and will:

- (a) treat potential and existing suppliers with equality and fairness;

- (b) not seek or receive personal gain;
- (c) maintain confidentiality of 'Commercial in Confidence' information such as contract prices and other sensitive information;
- (d) present the highest standards of professionalism and probity;
- (e) deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- (f) provide all suppliers and tenderers with the same information and equal opportunity;
- (g) comply with all legal and Policy requirements; and
- (h) be able to account for all decisions and provide feedback on them.

2.1.2. Conflict of Interest

In accordance with sections 126-131 of the Act, Councillors and Council Officers have an overriding responsibility to act impartially and with integrity, avoiding a Conflict of Interest. Councillors and Council Officers, must:

- (a) at all times avoid situations in which they may have or which creates a Conflict of Interest;
- (b) not participate in any action or matter associated with the arrangement of a tender or contract where that person has a Conflict of Interest; and
- (c) when becoming aware of a conflict, promptly declare the Conflict of Interest in accordance with procedures set out in Chapter 5 of the Governance Rules, or seek advice and support from the Manager Governance, Property and Projects.

Councillors cannot participate in any aspect of the procurement process unless acting in the capacity of Council at a formally constituted Council meeting to consider the awarding of a contract.

2.2. Value for money

Value for Money is the achievement of a desired procurement outcome at the best possible price, not necessarily the lowest price, based on a set list of financial and non-financial criteria relevant to the procurement. Value for Money considers the total cost of procurement including:

- (a) contribution to Council's priorities and strategic objectives;
- (b) fitness for purpose, quality, social and environmental impacts, service and support; and
- (c) cost related factors including whole of life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing the Goods, Services or Works.

Value for Money could be achieved by:

- (a) developing, implementing and managing a procurement framework that supports the coordination and streamlining of activities throughout the lifecycle;
- (b) development, implementation and management of the local procurement strategy;
- (c) undertaking competitive procurement processes;
- (d) using aggregated contracts whenever possible to group similar contracts;
- (e) identifying and rectifying inefficiencies in procurement processes;
- (f) developing cost effective tender processes including appropriate use of e-solutions; and
- (g) working with suppliers to create relationships that are professional and productive.

2.3. Fair, honest and transparent dealing

Council is committed to providing equal opportunity for all businesses to bid for work through fair, honest, open and transparent market processes. Council Officers will ensure that all prospective suppliers are treated fairly in an open and transparent manner and have access to the same information.

2.4. Accountability

Accountability in procurement allows Council Officers to explain and provide evidence of the process followed during procurement. Council Officers must be able to account for all procurement decisions over the life of the Goods, Services or Works in accordance with this Policy. This could

mean revisiting the original intentions of the procurement during the use of the Goods, Services or Works to ensure that the Goods, Services or Works are still providing Value for Money and achieving the Council intentions.

2.5. Gender Impact Assessment

In accordance with the *Gender Equality Act 2020 (Vic)*, Council is committed to ensuring a gender lens is applied to all new policies, programs and services that directly and significantly impact the public and ensure that a gender impact assessment (**GIA**) is conducted as needed. Records of GIA conducted must be saved in Council's records management system with the relevant procurement in accordance with the GIA Policy.

2.6. Fraud and corruption control

Council is committed to preventing, deterring and reporting corrupt and fraudulent behaviour particularly in relation to the procurement process. Council has developed a Fraud and Corruption Control Policy which provides a framework for preventing the risk of fraud and strengthening organisational integrity.

2.7. Competition and Consumer Act compliance

Council will comply with the *Competition and Consumer Act 2010 (Cth)* and other fair-trading legislation applicable to its operations and is committed to ensuring the protection of consumers and promotion of competition.

Council Officers need to be informed of their obligations under competition and consumer legislation and ensure that the following does not occur:

- (a) restrictive trade practices (including price fixing and exclusionary provisions relating to a interstate boundaries);
- (b) market sharing (including allocation of customers), anti-competitive agreements, exclusive dealing and misuse of market power;
- (c) inaccurate communication or promotion (including misleading or deceptive conduct, false claims and unsubstantiated predictions); and
- (d) unconscionable or unfair business practices.

2.8. Risk management

Risk management is to be appropriately applied at all stages of procurement to ensure procurement is properly planned and carried out in a manner that will protect and enhance Councils capability to prevent, withstand and recover from interruption to the supply of Goods, Services and Works.

Council will minimise its risk exposure by measures that:

- (a) allow sufficient planning and lead time for procurement preparation and consideration;
- (b) integrate risk identification at the earliest planning stage to inform the process;
- (c) use Council standard form or Australian Standard contracts which mitigate risk to Council;
- (d) require security deposits where appropriate;
- (e) when required, referring specifications to relevant industry experts;
- (f) ensure service providers maintain adequate insurance cover for the Goods, Services or Works;
- (g) review and negotiate contract departures and non-standard contracts prior to the award of the contract;
- (h) ensure agreements are executed prior to commencement of Goods, Services or Works; and
- (i) ongoing and timely contract management including monitoring and enforcement performance.

2.9. Probity Auditor

Council will consider the appointment of a probity auditor for procurement based on the nature and complexity of the proposed procurement. The completion of a review and assessment of the need for

the use of an external, independent probity auditor is mandated when the value of the Goods, Services or Works exceeds \$2,000,000.

2.10. Disclosure of information

Confidentiality of information provided by Invitees must be maintained in a safe and secure manner, particularly commercially sensitive material such as prices, discounts, rebates, profit, manufacturing, intellectual property and product information.

At no stage should Councillors or Council Officers have discussions with Invitees about active procurements prior to the approval process being finalised, other than authorised procurement negotiations. Councillors and Council Officers should take care that their duty to consider issues fairly and properly is not compromised by participating in discussions with suppliers where the supplier is intending to influence the outcome of the procurement. Councillors and Council Officers must ensure that they comply with the obligations in the Gifts and Benefits Policy including making reasonable enquiries as to the live tender processes prior to accepting any benefit which would otherwise be in accordance with the Gifts and Benefits Policy.

Invitees must be advised that a report on a tender process may be presented at an open meeting of Council and some information arising from the tender may be made publicly available.

2.11. Record keeping

Council Officers need to ensure that all records relating to procurements are stored in Council's electronic content management system including decisions evidencing:

- (a) the processes followed and substantiated decisions made during the procurement; and
- (b) adequate records to support contract matters or disputes.

The structure and extent of records will depend on the value and complexity of the procurement.

Records will be kept in accordance with the *Public Records Act 1973 - Public Record Standard PROS 09/05 (Retention and Disposal Authority for Records of Local Government Functions)*.

2.12. Sustainable procurement

Council recognises it has an implicit role in furthering sustainability objectives, through its procurement of Goods, Services and Works. Council will maintain a procurement framework designed to support Value for Money and embed organisational environmental, social and economic development objectives.

Council Officers will consider how best to embed its sustainable procurement objectives in each procurement, whether this be as part of a specific evaluation criteria, developing a specification which reflects specific sustainable outcomes for the Goods, Services or Works or building sustainable requirements directly into the Goods, Services or Works.

Council demonstrates sustainable procurement by:

- (a) being accountable for its impacts on society, the economy and the environment including the impacts of the organisation's supply chain;
- (b) examining anticipated organisational, project and/or community needs;
- (c) continually improving sustainability specifications, practices and outcomes, and
- (d) planning and undertaking sustainability evaluations as part of contracting activities.

Council has established the following principles and objectives in relation to sustainable procurement.

Sustainable Area	Principles	Objectives
Economic	<p>Council is committed to procurement that supports Local Business and economic diversity in the region. Where possible and applicable Council will give preference to goods manufactured or produced in Australia and will actively seek quotations and tenders from Local Business.</p> <p>Council's sustainable procurement will:</p> <ul style="list-style-type: none"> ensure Local Business and industry can competitively compete; foster innovation and emerging sectors; and consider life cycle costs. 	<p>Council's economic sustainability approach aims to:</p> <ul style="list-style-type: none"> achieve Value for Money on a whole of life (including disposal) basis; ensure probity and accountability in the procurement process; commit to sourcing locally as possible; build relationships with Local Business and encourage procurement and help build capacity; and support local employment.
Environmental	<p>Where applicable Council will purchase Goods, Services and Works that reduce air, water and soil pollution, greenhouse gas emissions, waste production, natural resource depletion and biodiversity depletion.</p> <p>Council's sustainable procurement will:</p> <ul style="list-style-type: none"> considering the lifecycle; promote circular economy participation; manage demand to reduce procurement requirements; encourage innovation where risk is appropriately considered in the procurement; and engage suppliers who are committed to reducing their environmental impact. 	<p>Council's environmental sustainability approach aims to:</p> <ul style="list-style-type: none"> improve energy efficiency; reduce greenhouse gas emissions and contribution towards Council's carbon footprint; minimise waste production; improve water efficiency; reduce air, water and soil pollution; reduce biodiversity impacts; and increase the use of recycled materials to reduce demand for raw materials and non-renewable resources..
Social	<p>Council is committed to building stronger communities and meeting social objectives which benefit the municipality and region and commits to integration of measures in its procurement processes which promote improved social outcomes.</p> <p>Council's procurement will:</p> <ul style="list-style-type: none"> understand of the socio-economic issues affecting the community; promote equity, diversity and equal opportunity; create training and employment opportunities for unemployed or disadvantaged residents and ratepayers in Council's municipality, and marginalised job seekers in Council's municipality, to address local socio-economic issues; and respect for human rights, the rule of law and international norms of behaviour. 	<p>Council's social sustainability approach aims to:</p> <ul style="list-style-type: none"> ensure vendors do not exploit workers and provide fair wages, including inclusive business practices; maintain a social procurement program to increase social procurement spend across the region; ensure sourced products are accessible by all segments of the community; increase employment opportunities for indigenous people, people with a disability, disadvantaged people and long term unemployed; improve gender equity; and prevent, detect and remove modern slavery from Council's supply chain.

For more detailed information on sustainable procurement please refer to the Council's Environmental Sustainability Strategy.

2.13.Support for local content

Council can include in its evaluation criteria up to five percent for Local Content. This aims to acknowledge the suppliers whose activities contribute to the financial and social wellbeing of the region. Suggested evaluation criteria for Local Content includes:

Local Content	Weighting
Principle place of business.	2.0%
Percentage of Goods, Services or Works sourced from within the city (including local accommodation and dining).	1.5%
Employment of trainees and apprentices from within the city.	1.0%
Sponsorship of community or sporting groups from within the city.	0.5%

With the exception of contracts that are the subject of a tender, in every instance where it is reasonable to do so, Council Officers must seek at least one quote from a local business.

2.14. Collaborative procurement

Council Officers will seek to use Collaborative Procurement Arrangements with third parties when procuring Goods, Services and Works in order to take advantage of economies of scale in accordance with section 108(3)(c) of the Act. When a report for a procurement is presented to Council for approval, it will include information relating to any collaborative arrangement opportunities that were explored as part of the procurement process.

When collaborating with other Councils, the Council will do so in accordance with the following:

- (a) working with other Councils to develop a consolidated contract register to identify joint procurement projects on an annual basis;
- (b) Council Officers must actively consider all contracts and proposed contracts to determine if the procurement would benefit from expertise, economies of scale or other strategic benefits to Council (other than projects that are unique to an individual Council (e.g. unique construction or works projects)) if it would then it must be included in the consolidated contract register for collaboration consideration;
- (c) other contracts which, due to the subject matter, nature or scope, are likely to deliver operational efficiencies if procured in collaboration with the other Councils, must be included in the consolidated contract register for consideration as a possible joint procurement opportunity;
- (d) Council Officers commit to regularly reviewing the contracts register to determine whether collaborative procurement should be considered;
- (e) where collaborative procurement is to be pursued:
 - i. pre-approval will be requested from each Council prior to commitment to collaboration, seeking authority to proceed with the collaboration and delegation of contract approval to the appropriate Council Officer of that Council;
 - ii. the participating Councils will establish a *Heads of Agreement* that gives authority for a lead council to act as each Council's agent in the Collaborative Procurement Arrangements;
 - iii. each of the Councils who participate will be able to enter into a contract with the preferred supplier identified through the collaborative procurement process, or may choose as a group to enter into a contract using "jump in/opt-in" contract provisions during the contract term, or with the Council which conducted the relevant procurement;
 - iv. each participating Council must be involved in:
 - a. the initial decision to undertake the Collaborative Procurement Arrangement;
 - b. preparation of, and agreement to, the specifications;
 - c. ensuring probity for the Collaborative Procurement Arrangement; and
 - d. the acceptance of tender(s) and awarding of contract(s); and
- (f) when considering the evaluation criteria for a particular Collaborative Procurement Arrangement each participating Council will prioritise Value for Money for the collaborating Council's in addition

to its usual Procurement Policy to ensure alignment can be achieved between Council's for the evaluation criteria.

Furthermore, Council may collaborate with other Councils or other bodies such as MAV Procurement or Procurement Australasia to procure Goods, Services or Works, or utilise existing Collaborative Procurement Arrangements established through a public tender process where it provides an advantageous, Value for Money outcome for the Council.

Any Federal or State Government grant funded projects may be excluded from Collaborative Procurement Arrangements.

When entering into a Collaborative Procurement Arrangement for the purpose of the procurement delegations the obligations and liabilities under the procurement will only take into account the value which Council may ultimately be liable for, this will, in most cases, not reflect the total value of the ultimate contract.

2.15. Model of procurement

Council operates a centre-led procurement model. All purchases greater than \$300,000 (including GST) must be undertaken in conjunction with Procurement.

2.16. Procurement delegations

Delegations define the limitations within which Council Officers are permitted to work. Delegation of procurement authority allows specified Council Officers to approve certain purchases, quotations, tender and contractual processes without prior referral to Council. Delegations can be:

- (a) financial delegations which specify the amount of money Council Officers are authorised to expend on behalf of Council; and
- (b) procurement delegations which specify method of procurement which should be conducted.

2.16.1. Financial Delegations

All procurement activities require authorisation of the relevant authorised Council Officer in accordance with the financial delegation limits set out in the Procurement Manual.

2.16.2. Variations

Contract variations must be approved in accordance with Council's financial delegations. A Council resolution can include a specific delegation amount for variations for a procurement outside of those set out in the Procurement Manual.

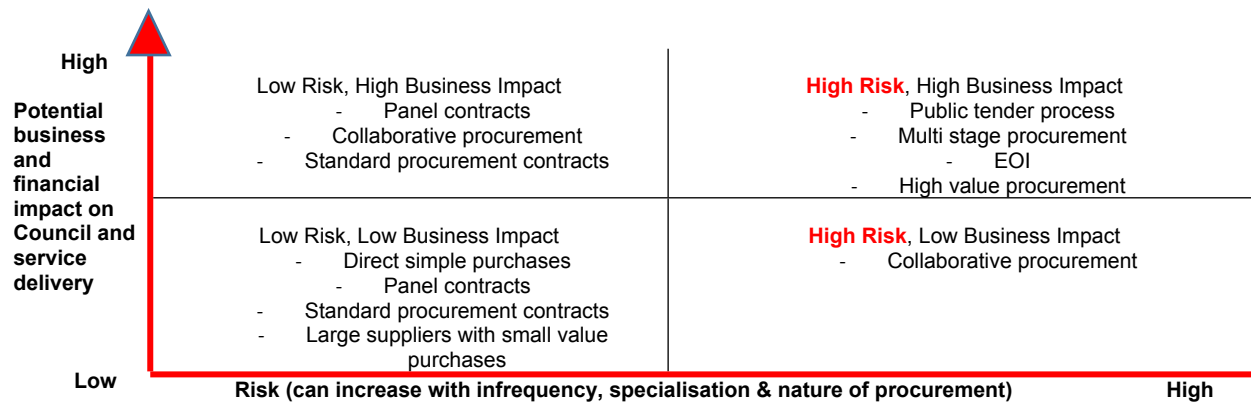
2.16.3. Market engagement methods

The market engagement method is determined by the nature, value and risk of the procurement. The level of risk is determined on a case by case basis by the Council Officer and Procurement.

The Procurement Value below is the total estimated cost of the procurement for the initial fixed term of the procurement. The requirements listed are the minimum thresholds to be met, best practice requires that the Council Officer consider if the circumstances require, or there would be benefit in, completing additional processes above the minimum requirements.

Procurement Value (excl. GST)	Risk	Minimum Market Engagement	Payment Method	Agreement Type	Documentation Requirements
<\$2,000	N/A	1 verbal quote	Reimbursement, purchase card or Purchase Order – refer to section 3.1	Purchase Order Conditions	Record quote.
\$2,000 to \$10,000	N/A	2 verbal quotes	Purchase card or Purchase Order – refer to section 3.1	Purchase Order Conditions	Verbal quote form attached to purchase order in finance system.
\$10,000 to \$50,000	N/A	2 written quotes	Purchase Order	Purchase Order (up to \$25,000) Contract	Quotes attached to purchase order in finance system. Documents recorded in ECM.
\$50,000 to \$150,000	Low	3 written quotes		Contract	
	High	Public Process			
\$150,000 to \$300,000	Low	3 written quotes			
	High	Public Process			
\$300,000 +	N/A	Public Process			

Procurement Risk Assessment



It is noted that any regulation introduced which impacts the market engagement methods above, the market engagement methods are automatically amended to comply with the requirements of the regulation.

2.17. Exemptions from market engagement methods

Council Officers can conduct a procurement process outside of the market engagement requirements at the discretion of the relevant Director, in the following circumstances:

- (a) the Goods, Service or Works are of an urgent nature particularly in matters of an emergency including public health, security or safety;

- (b) only one or two suppliers could perform or supply the Goods, Service or Works due to the level of specialist expertise required (i.e. a demonstrated absence of competition for technical reasons) this also includes if a contract exists with a supplier where cumulative spend to date with that supplier means that Value for Money and risk mitigation justify continuing with the existing supplier for the new or related Goods, Service or Works;
- (c) installations where a change in supplier would necessitate the procurement of Works, Goods or Services that do not meet the requirements for interoperability or interchangeability;
- (d) the Works, Goods or Service are an extension of previously approved goods, service or works and the appropriate variation has been approved and processed;
- (e) the Works, Goods or Service are required as part of a grant, funding agreement, lease or similar arrangement specifically stating how the Goods, Service or Works are to be provided or undertaken;
- (f) where an existing contract has expired and the procurement process for the new contract has not been finalised and the existing contract needs to be temporarily extended on a rolling basis for a period of not more than six weeks;
- (g) where no quotes or tenders were submitted or no quotes or tenders were submitted that conform to the essential requirements of the specification document – in this instance direct contact with the supplier of choice may be appropriate;
- (h) where a ministerial exemption has been sought and provided;
- (i) where an existing contract is novated to a supplier to complete the Goods, Services or Works on substantially similar terms following completion of suitable due diligence;
- (j) where the acquisition is of a cultural or artistic nature i.e. a live show or art piece;
- (k) where a Council panel of providers has been established using a public process any secondary procurement process under the panel for Goods, Service or Works acquired from a panel member can be established as representing Value for Money by the Council Officer (noting that the requirements for awarding Goods, Service or Works under the panel contract must still be complied with); and
- (l) where the procurement is on Council's exemption list (refer to Appendix 1).

2.18. Public process

2.18.1. Requirements

All public procurement by the Council will be published via Council's electronic portal and may be advertised in the media. Information regarding current procurements may be published on Council's website.

The Council Officer in conjunction with Procurement can consider whether the type of public procurement including an RFQ will be sufficient or the value and risks warrants a tender document.

2.18.2. Evaluation

An evaluation panel will be established to evaluate each submission against the selection criteria for the public process. Evaluation panels can include external personnel in order to ensure the best outcome for a procurement and must comprise of at least 3 people.

A Procurement Plan must be developed, approved and adhered to prior to the public process beginning. The Procurement Plan must set out the evaluation criteria to determine whether a proposed contract provides Value for Money including:

- (a) both price (whole of life) and non-price factors (risk, quality and contribution to Council's sustainability objectives);
- (b) mandatory criteria common to all procurements include: price, capability (skills, experience), capacity, methodology (approach), sustainability (local, social, economic and environmental); and
- (c) specific criteria for local, social, economic and environmental sustainability objectives are determined on a project by project basis.

2.18.3. Shortlisting and Negotiations

Council may conduct a shortlisting process during any of the public processes including EOI, tender and quotation processes. Shortlisting can be based on any criteria but only in pursuit of the most advantageous outcome for the Council. Shortlisted tenderers may be invited by the Council to submit a best and final offer in relation to all or certain aspects of their respective tenders. Refer to the Procurement Manual for further details.

Once one or more preferred tenderers are selected, negotiations can be conducted in order to obtain the optimal solution and commercial arrangements within the original scope and intent of the tender.

3. PROCUREMENT METHODS AND PROCESS

3.1. Procurement Methods

Council's standard methods for purchasing Goods, Services and Works are by:

- (a) reimbursement (for low value, low risk purchases which cannot be made with a purchase card);
- (b) purchase cards (recommended for procurements less than \$200);
- (c) approved purchase order; or
- (d) other arrangements authorised by Council or the CEO as required by abnormal circumstances including emergencies.

If petty cash or a purchase card is not used for the procurement, then an approved purchase order must be generated before committing to the procurement.

3.2. Procurement Processes Overview

Council's procurement processes are based on the principles outlined in this Policy. Further details of the procurement processes undertaken by Council are contained in Council's Procurement Manual. Together with this Policy, the Procurement Manual provides the complete procurement framework applicable to all Council's procurement activities.

In line with the Local Government Best Practice Procurement Guidelines 2013 (or as updated), Council may conduct negotiations in its tender documentation in order to better meet / achieve its value for money objectives. This negotiation process may include undertaking a Best and Final Offer (BAFO) process.

Council maintains an appropriate contract management framework to govern and guide its contract management activities. Council will proactively manage key contracts with a nominated Council Officer responsible for the delivery of the contracted Goods, Services or Works to ensure the Council is best placed to achieve its contract objectives.

Council recognises that in order to achieve sustainable value, appropriate relationships must be developed and maintained with suppliers. Council is committed to:

- (a) managing existing suppliers, to ensure the benefits are delivered;
- (b) developing new suppliers and improving the capability of existing
- (c) suppliers where appropriate; and
- (d) communicating to potential suppliers via its website.

4. GOVERNANCE

4.1. Owner

General Counsel, Strategy and Procurement

4.2. Review

The General Counsel, Strategy and Procurement will review the policy for any necessary amendments no later than 4 years after its formulation or after the last review.

4.3. Compliance Responsibility

Party / Parties	Roles and Responsibilities
Chief Executive	Ensure overall organisation compliance with the policy.
Managers	Ensure compliance with the policy by all Council Officers under their supervision.
General Counsel, Strategy and Procurement	Overall responsibility for the policy implementation and compliance.
General Counsel, Strategy and Procurement	Responsible for reviewing, updating and implementing policy. Primary source for procurement advice, training and guidance.
Council Officers	Compliance with the provisions of this policy.

4.4. Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the *Charter of Human Rights Act (2007)*.

Warrnambool City Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee health and safety representatives in any workplace change that may affect the health and safety of any of its employees.

1. APPENDICES

Appendix 1 – Exemptions

The following procurements are either exempt from market engagement and/or the requirement for a Purchase Order. With the Chief Executive’s approval, exemptions can be added or removed from this list at any time.

Category	Description	Exempt from market engagement	Exempt from purchase order
Utilities	Electricity, gas, water and telephone services. Note: market exemption where there is only a single provider e.g. Wannonwater and Powercor.	No	Yes
Insurance premiums and claims	WorkCover and other insurances.	Yes	Yes
Prescribed contracts	Legal services	Yes	No
Payroll expenses	Superannuation and PAYG.	Yes	Yes
GST	Goods and Services Tax payable.	Yes	Yes
Postage	Australia Post.	Yes	Yes
Vehicle registrations	VicRoads vehicle registrations.	Yes	Yes
Councillor expenses	Allowances and Reimbursements.	Yes	Yes
Refundable trust funds	Includes Security Bonds, Contract Retentions and other funds held in trust.	Yes	Yes
Collaborative procurement providers	Municipal Association of Victoria, Procurement Australia, State Government prequalified supplier list.	Yes	No
Levies	EPA Victoria Levy.	Yes	Yes
	Fire Services Property Levy.	Yes	Yes
State and Federal Statutory Fees	DELWP fees and charges and Regional Roads Victoria.	Yes	Yes
Other	Acquisition of Land and Buildings.	Yes	Yes
	Medical expenses.	Yes	Yes



Category	Description	Exempt from market engagement	Exempt from purchase order
	Venue hire.	Yes	Yes
	Fuel including Diesel (with relevant supplier).	No	Yes
	Memberships and subscriptions.	Yes	No
	External audit fees – Victorian Auditor-General’s Office.	Yes	No
	Annual community grants.	Yes	Yes
	Professional workshop and conference registration fees and associated costs.	Yes	No
	Loans and investments.	Yes	Yes
	General advertising.	Yes	No
	Accommodation associated with provision of employment.	Yes	No
	Recruitment advertising.	Yes	No