

Council Policy

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| Council policy title: | Procurement Policy 2019 |
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| Council policy owner: | Director Corporate Services |
| Adopted by: | Bayside City Council |
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| Scheduled review: | Annually |

1. Policy intent

The intent of the Procurement Policy is to ensure high standards of probity and accountability in Council's procurement activities while obtaining best value for money outcomes when purchasing goods, services and works and managing contracts and supplier relationships.

2. Purpose/Objective

The purpose of this Policy is to ensure that all Council's procurement activities:

1. Achieve best value for money in the procurement of goods, services and works;
2. Are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
3. Provide a robust, accountable and transparent audit trail;
4. Comply with legislation, other Council policies, Council's Environmental Sustainability Framework and relevant external standards; and
5. Support and provide a key element in delivering Council's Plans and Strategies.

3. Scope

The Local Government Act 1989 (the Act), section 186A, requires Council to prepare and approve a Procurement Policy. This Policy must be considered in all aspects of Council's procurement of goods, services and works. Council must also review the Procurement Policy once every financial year and make it available for public inspection at Council offices and on Council's website.

4. Roles & Responsibilities

The responsibility for implementing, monitoring, evaluating and reviewing the Policy sits with the Director Corporate Services.

All Council staff⁷ and Councillors are required to comply with this Policy⁸.

Probity Advisor – A probity advisor, where deemed appropriate, provides expert knowledge or understanding throughout the process for reasons of probity risk management. They provide advice on how to improve probity of a process or advise on probity issues as they arise.

Probity Auditors – A probity auditor provides independent audit and objective opinion on probity issues after a process is completed.

5. Monitoring, evaluation & review

The Act requires that the Procurement Policy be reviewed by Council once every financial year. Council's Audit Committee also provides additional oversight through regular reports.

In reviewing this Policy, Council will consider current best practice approaches to procurement.

6. Policy statement

6.1 General Requirements

6.1.1 Application

The application of this Policy needs to be considered in the overall context of achieving best value for money outcomes for Council and the Bayside community. A key message is that the purchasing of goods, services and works at Bayside needs to be sensitive to customer needs and expectations, market demand and supply and any other relevant market conditions to achieve the best possible procurement outcomes.

To achieve the best value for money, purchasing of goods, services and works at Bayside should consider the cost including acquisition and ongoing maintenance costs. Purchasing should also seek to continuously improve our service delivery, by embracing innovation and technology to find better ways to deliver value for money.

All purchasing, expressions of interest, quotation and tender processes must be conducted in accordance with the requirements of this Policy, Council's Procurement Procedures and Contract Management Procedures.

6.1.2 Ethics and Probity

In all dealings, the Council will observe the highest standards of probity. Probity is achieved when a defensible process is put in place which is able to withstand internal and external scrutiny. All processes must achieve both accountability and transparency and provide tenderers with fair and equitable treatment. The community expects business in the public sector to be conducted ethically, displaying honesty, integrity, diligence, trust and respect when dealing with others.

⁷ Council staff excludes independent contractors and employees of third parties.

⁸ Sub-section 186A (9) of the *Local Government Act* 1989.

The key probity fundamentals are:

Compliance with Legal and Policy Requirements

Compliance with the relevant legislation, Council policy and procedures is fundamental to probity.

Use of a Competitive Process

A competitive procurement process is used at all times unless an authorised exemption is in place.

Fairness and Impartiality

Potential suppliers and contractors competing for works, goods and services are to be treated equally and must have the same opportunity to access information.

Consistency and Transparency of Process

Tenderers are to be evaluated in a systematic manner against explicit predetermined evaluation criteria.

Security and Confidentiality

The processes adopted for receiving and managing information from suppliers must ensure the security and confidentiality of intellectual property and proprietary information.

Identification and Declaration of Conflicts of Interest

If any conflict of interest arises in relation to a procurement process then the person with that conflict must declare that in accordance with legislation and Council policy.

The procurement process should be applied with common sense with flexibility in process design, where appropriate, so that the task of selecting the best submission is fair and equitable.

In an increasingly complex and constrained operating environment there may be times where the procurement plan requires a significant divergence from establishing procedures to deliver the best value for money. If any significant risks to probity fundamentals above can be identified then this points to the need to consider engaging a probity advisor up front.

In some cases, to demonstrate rigour in a procurement process a Probity Auditor may be engaged. This may include projects impacting a broad range of the community where strong divergence of opinion exists, politically sensitivity or very high value in nature. It is up to staff involved in all procurement activity to consider whether a probity advisor or probity auditor should be appointed.

6.1.3 Conduct of Councillors and Council Staff

Councillors and Council Staff must at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity. Such conduct must:

- Treat potential and existing suppliers with equality and fairness;
- Not seek or receive personal gain;
- Maintain confidentiality of commercial-in-confidence matters and other sensitive information;

- Present the highest standards of professionalism;
- Deal with suppliers in an honest and impartial manner;
- Provide all interested suppliers with the same information and equal opportunity; and
- Be able to account for all decisions and provide feedback on them.

Council Staff are prohibited from either being engaged by a Council contractor or performing any works under a Council contract.

6.1.4 Conflict of Interest

Councillors and Council Staff must avoid situations in which their private interests conflict, or might reasonably be perceived to conflict, or have the potential to conflict, with their public duties.

Councillors and Council Staff must not participate in any action or matter associated with a procurement or management of a contract or purchase (i.e. evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a direct or indirect 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.

6.1.5 Fair and Honest Dealing

All interested parties must be afforded an equal opportunity to tender. Impartiality must be maintained throughout the procurement process so that it can withstand public and audit 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.

6.1.6 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.

6.1.7 Gifts and Hospitality

Councillors and members of Council staff must not, either directly or indirectly solicit or accept gifts or presents from any person who is involved, either directly or indirectly, with any matter that is connected with the duties of the officer, or in which the 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.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how insubstantial they might seem to be), must be promptly brought to the attention of the Chief Executive Officer.

6.1.8 Endorsement

Council staff must not officially endorse any products or services without approval from Council. Individual requests received for endorsement must be referred to a Director or CEO.

6.1.9 Disclosure of Information

It is Council's general policy to consider reports recommending the awarding of contracts in open Council meetings. However, Council is committed to not disclosing information that is commercial-in-confidence. Commercial-in-confidence information must not be disclosed and is to be stored in a secure location. Councillors and Council staff must protect information to the extent that it is commercial-in-confidence by refusing to release or discuss it with others. Council may declare that a report recommending the awarding of a contract be heard in camera where the information or matter is so sensitive or where the Council report, by necessity, contains confidential information so that if the report were considered in open Council it would likely cause harm or damage to Council or harm or damage to any tenderer who submitted for that tender and the extent of that harm or damage outweighs the requirement for transparency.

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 about 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 which could have potential contractual implications prior to the contract approval process being finalised (other than authorised pre-contract negotiations).

6.1.10 Governance Structure

Council will:

- Maintain a procurement management responsibility structure and delegations ensuring accountability, traceability and auditability of all procurement decisions made over the life of all goods, services and works purchased by Council;
- Ensure that the Council's procurement structure:
 - Is flexible enough to purchase in a timely manner the diverse range of goods, services or works required by Council but only to the extent that it does not compromise probity, legal requirements or fundamental auditing principles;
 - Ensures that prospective contractors and suppliers are afforded an equal opportunity to compete for Council opportunities;
 - Encourages competition; and
 - Ensures that other policies that impinge on the purchasing policies and practices are communicated to all potential suppliers.

6.1.11 Responsible Financial Management

The principle of responsible financial management must be applied to all procurement activities. This includes ensuring that existing funds within an approved budget, or source of funds, is established prior to the commencement of any procurement action for the supply of goods, services or works.

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.

Delegations define the limitations within which Council staff can make financial commitments.

6.2 Sustainable Procurement

In accordance with the Council Plan procurement decisions and initiatives will be based on clear and transparent evidence, informed economic, environmental and social considerations. To achieve sustainable procurement and the objectives and targets in Council's Environmental Sustainability Framework, Council will continue to develop a sustainable procurement approach incorporating economic, environmental, financial and social considerations.

6.2.1 Economic Sustainability

Council's procurement method and assessment will be carried out on the basis of obtaining value for money. This means controlling the total cost of ownership over the lifetime of the procurement while not compromising on accepted levels of quality, reliability and delivery requirements. Lowest price is not the sole determinate of value for money. To help ensure value for money, the following factors will be considered:

- Developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout;
- Effective use of competition;
- Using panel contracts and Standing Offer Agreements where appropriate;
- Identifying and rectifying inefficiencies in procurement processes;
- Developing cost efficient tender processes including appropriate use of e-solutions;
- Appropriate Council staff responsible for providing procurement services or assistance in terms of available products and existing agreements; and
- Working with existing and potential suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services or works being required.

6.2.2 Environmental Sustainability

Through the objectives and targets in Council's Environmental Sustainability Framework, Council is committed to achieving sustainability and ensuring it monitors and reports on Council activities and programs that have an impact on, or improve, the environment.

These activities include but are not limited to:

- Waste management;
- Recycling;
- Energy management;
- Greenhouse gas emission management;
- Water conservation;
- Building design; and
- Sustainable procurement.

Council is committed to enhancing the environment by supporting the principles of sustainable procurement to provide value for money.

Council prefers to purchase environmentally sustainable products and services whenever they achieve the same function or better, and value for money outcomes. Council aspires to demonstrate to the community that the purchasing decisions of Council endeavor to enhance environmental sustainability and improve markets for recycled and environmentally sustainable products.

Where practical and operationally efficient, Council will integrate the following sustainable purchasing practices into its operations and encourage its suppliers and contractors to adopt the same.

- Avoid negative environmental impacts from the purchase of goods, services and works, where possible.
- Reduce resource consumption and waste production by selecting energy efficient and water efficient products and services, where possible.
- As an indication for products where labelling standards are applied, energy-efficient and water efficient products are to have star ratings of four star and above. Vehicles are to have a high Green Vehicle Guide star rating.
- Reuse where possible:
This practice requires the provision of re-use and recycling as part of the project planning process, including the consideration of whole-life cycle analysis, where available.
- Favour Recycled content:
The purchase of recycled or part recycled products is favoured, to reduce the need for new resource consumption, be efficient with existing resources, stimulate demand for recycled products, and products with recycled content, and minimise waste.
- Reduce the environmental impact of the supply chain:

This practice means encouraging suppliers of products and services to Council to adopt good environmental practices, to minimise the environmental footprint of Council's extended activities.

Council will show preference to suppliers who actively adopt good environmental practice using tender and procurement evaluation criteria.

6.2.3 Social Sustainability

In accordance with the Council Plan and Community Engagement Framework Council is committed to improving the quality of life in Bayside through the involvement of the Bayside community in a range of factors including the provision of goods, services and works. Council is also committed to ensuring that all views are considered through inclusive deliberation and active involvement of the community.

Council will therefore consider community building in the procurement of goods, services or works as appropriate. The criteria may include the following:

- Consulting and engaging with the community;
- Building community involvement in the ways services are delivered or works undertaken;
- Enhancing partnerships with community stakeholders and other service providers;
- Generating local employment (particularly among disadvantaged residents);
- Improving gender equity, diversity and social inclusion; and
- Providing a range of other social benefits including community amenity and public health and well-being.

Council will also consider the social impact of procurement beyond our municipality.

6.3 Planning & Methodology

6.3.1 Role of Specifications

Specifications used in expressions of interest, quotations and tenders are to support and contribute to the Council's objectives through being written in a manner that:

- Ensures impartiality and objectivity;
- Encourages the use of reliable and proven products;
- Encourages sustainability;
- Reduces bureaucracy and encourages innovation; and
- Wherever possible specifies requirements in terms of service outcomes and key performance standards.

While it may be appropriate in certain circumstances to specify inputs, care must be taken to ensure that innovative solutions may still be encouraged.

6.3.2 Purchasing Methods

Council's standard methods for purchasing goods, services and works are:

- Petty cash or corporate credit card for low value simple purchases (please refer to Council's Credit Card Policy for more information about using a Council credit card);
- Purchase order;
- Contract following a quotation process;
- Contract following a tender process;
- Collaborative purchasing arrangements with other Councils, approved contractual arrangements put in place by the State Government (State Purchase Contracts and

Whole of Victoria Government Contracts), Procurement Australia and the Municipal Association of Victoria; and

- Other arrangements authorised by the Council or the CEO due to abnormal circumstances such as emergencies.

6.3.3 Procurement Thresholds and Competition

Council's Procurement Procedures details the minimum thresholds and the associated procurement methods. These thresholds are determined by this Policy and are detailed below.

6.3.4 Public Tenders

The acquisition of goods and services for which the estimated expenditure is \$150,000 or above, and building and construction works for which the estimated expenditure is \$200,000 or above must be undertaken by public tender as per the Act.

However to avoid any confusion regarding the definition of 'services' versus 'works' and to ensure compliance with the Act, Council adopts a public tender threshold of \$150,000 for all purchases. This threshold applies to the value of contracts that may be for a number of years. As a general rule the \$150,000 threshold should be determined by estimating the value of the goods, services or works with a single supplier for a reasonable contract period, inclusive of GST and all option periods under the proposed contract.

The Council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders. Typically a multi-stage tender process will commence with an expressions of interest stage followed by a tender process involving the suppliers selected as a consequence of the expressions of interest stage.

Expressions of interest may be appropriate where:

- The extent of the market is relatively unknown;
- The requirement is complex; or
- Tendering costs are likely to be high and Council seeks to ensure that suppliers incapable of supplying the requirement do not incur unnecessary expense.

6.3.5 Quotations

Purchase of goods, services and works having a value less than \$150,000 must be undertaken using a quotation method as described below:

- *Value between \$0 and \$500 – Minimum one verbal quotation must be obtained*

An invoice must be obtained and ideally a purchase order will be raised as well. Where no purchase order is raised, the invoice must not be self-authorised. It must be co-signed by a second officer with delegated authority to ensure good governance and effective fraud controls are maintained.

- *Value \$500 or above but below \$2,000 – Minimum of one verbal quotation must be obtained*

A purchase order must be raised unless the purchase is of a type that is exempt from raising a purchase order (for guidance see 7.2.8 of the Procurement Procedures)

- *Value \$2,000 or above but below \$15,000 – Minimum of one written quotation must be obtained*

A purchase order must be raised unless the purchase is of a type that is exempt from raising a purchase order (for guidance see 7.2.8 of the Procurement Procedures)

- *Value \$15,000 or above but below \$150,000 Minimum of three written quotations must be sought*

Officers must complete the Procurement Initiation and Assessment form to establish if a Request for Quotation or Request for Tender process is the recommended process. A tender process may be recommended for complex procurements in this range.

Council will request a minimum of three quotations by issuing a written Request for Quotation to suppliers reasonably expected to provide the goods, services or works. Details of the suppliers contacted, their quotations, evaluation notes, recommendation, approval, declarations of whether any conflicts of interest exists, communication of award and the contract must be recorded.

Quotations returned by the nominated closing date must be evaluated and a recommendation made to consider the supplier offering the best value for money outcome.

- *Public Advertising.*

Quotations may be advertised when judged to be sufficiently advantageous to Council. This may occur when a field of potential Respondents has not been established, or an innovative approach is required, or the project has broad appeal that may attract very competitive prices. The minimum placement requirements include Council's e-tender portal and, where judged appropriate, use of any newspaper approved by Council for such purpose. The relevant Manager must consider the potential benefits of public tendering for any purchases over \$100,000 and a considered and conscious decision must be made by the Manager that three quotes will achieve the best value for money outcome where the value is over \$100,000 and it is decided that it will not be publically advertised. . Evidence of this must be filed in the relevant contract file in Council's record management system

6.3.6 Delegation of Authority

Delegations define the limitations within which Council staff are permitted to work. The Council has delegated to the Chief Executive Officer authority to approve contracts up to \$300,000 for capital works contracts and \$500,000 for goods and services contracts provided the contract is less than 5 years and annual spend does not exceed \$100,000. The Chief Executive Officer has in turn delegated authority to Council staff. This Instrument of Sub-delegation is titled 'Financial Delegations' and is made by the Chief Executive Officer under the authority of an Instrument of Delegation authorised by resolution of Council.

The Financial Delegations allow specified Council staff to approve certain purchases, without referral to the Council. These Delegations identify the Council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of the Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

The financial delegations for Council staff are detailed in Council's Instrument of sub-delegation – financial delegations.

Proposed commitments which exceed the CEO's delegation and which must be approved by the Council are:

- Awarding contracts where the total contract value exceeds \$500,000 for capital works or award a contract exceeding the value of \$500,000 for goods and services or, in the case of multi-year goods and services contracts awarding a contract exceeding an averaged value of \$150,000 per annum and/or for a period exceeding 5 years; and
- approve a contract variation exceeding 20% of the original contract sum, where the original contract sum is \$500,001 or greater and where the contract variation amount will result in the adopted budget allocation being exceeded.

6.4 Evaluation & Engagement

6.4.1 Quotation & tender evaluation

All quotations and tenders must be evaluated in a consistent manner against pre-determined evaluation criteria listed in order of importance. The use of a weighted matrix analysis is the recommended method for analysing and comparing tenders in a detailed and consistent manner. The full cost of the good, service or works over its estimated life must receive a weighting of between 30% and 60%.

The evaluation criteria must be determined prior to inviting proposals and should be listed in the invitation documents in order of importance. Apart from total cost over the estimated life some typical examples of criteria that may be considered are:

- Relevant Experience;
- Past Performance;
- Methodology;
- Resources;
- Management skills and systems;
- Environmental Performance; and
- Technical skills.

A due diligence analysis of the preferred or short-listed suppliers for all high value or highly complex projects must be undertaken to ensure that the suppliers have the capacity and stability to comply with the requirements of the contract.

6.4.2 Post tender negotiations

The conduct of negotiations after the close of a tender or quotation as part of the process for recommending the preferred supplier may be conducted as 'fine tuning' activity prior to entering into a contract. Matters for post tender negotiations may include:

- Clarifying the robustness of the lump sum price or schedule of rates;
- Additional value adding options;
- Specific contract management arrangements;
- Identifying key personnel for various stages of the contract;
- Intellectual property transfer opportunities; and
- Service supply arrangements.

The objective of post tender negotiations is to obtain the optimal solution and commercial arrangements and not merely the lowest price. Negotiations must also be mindful not to alter the scope or intent of a tender or proposal. Altering the contract in a way that materially changes the contract to that which was released is not permitted.

6.5 Contract Management & Administration

6.5.1 Corporate Records

The Responsible Officer authorised to make procurement commitments in respect of the relevant goods, services and works, must ensure timely and accurate corporate records are kept. Records include but are not limited to the following:

- All documents required by the Procurement Procedures generated in the sourcing phase;
- The contract;
- Contract term extensions (within authorised budget);
- Contract amendments and variations (financial and non-financial);
- Signed exemptions from this Policy, the Procurement Procedures or Contract Management Procedures.

6.5.2 Internal Controls

The Council will install and maintain a framework of internal controls over procurement processes that will ensure:

- There is clear accountability and responsibility for all transactions;
- Transparency in the procurement process;
- A clearly documented audit trail exists for procurement activities;
- Appropriate authorisations are obtained and documented; and
- Systems are in place for appropriate monitoring and performance measurement and that all Council staff use those systems.

6.5.3 Risk Management

Risk Management sits in the context of all projects and ongoing services being properly planned and carried out in a manner that will protect and enhance the Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

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

- Standardising contracts to include current, relevant clauses;
- Requiring bank guarantees where appropriate;

- Referring specifications to relevant experts;
- Requiring written contractual formation 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.

A risk management plan is required to be developed for all projects. The risk management plan should consider the following factors:

- Risk identification;
- Risk assessment: likelihood versus consequence;
- Risk mitigation: actions to reduce, replace or eliminate risks;
- Risk allocation: allocate a responsible officer or external party to manage each risk;
- Monitoring and control.

6.5.4 Occupational Health and Safety

Council must ensure that all its contractors and suppliers share Council's commitment to providing a safe and healthy environment, so far as is reasonably practicable, within the municipality for the Bayside community, staff and contractors. Preferred suppliers will need to demonstrate that they have appropriate systems and processes to manage risks and hazards and that they have provided appropriate education and training for all their staff.

6.5.5 Contract Terms

All contractual relationships must be documented in writing based on Council's standard terms. A written contract must be entered into by the supplier and Council before works or services commence or goods ordered.

Where this is not possible, for example in situations where community safety dictates an urgent necessity, subsequent approval must be sought from the appropriate member of Council staff with delegated authority. A request for such an approval must be supported with procurement and legal advice.

To protect the best interests of the Council, terms must be agreed in advance of any commitment being made with a supplier. Any exceptions to doing this expose the Council to risk and must be authorised by the appropriate member of Council staff with delegated authority.

6.5.6 Dispute Resolution

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

6.5.7 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:

- Nominating a responsible officer to manage each contract;

- 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 and key performance indicators.

Furthermore, contracts are to be proactively managed by the member of Council staff responsible for overseeing the delivery of the contracted goods, services or works to ensure the Council receives value for money and that quality and cost standards are met.

6.5.8 Contract Performance Reporting

Evaluation and reporting can provide a basis for effective control and stewardship of resources. There are a wide range of indicators that responsible officers can use to measure and report on the performance of the contract(s) they manage. These typically include, but are not limited to:

- Volume of orders/contracts;
- On-time delivery/completion;
- Defect rates and variations;
- Cost of raising order/processing contracts;
- Results of customer satisfaction questionnaires.

However, the recommended focus should be on an evaluation process which leads to the implementation of continual improvement to Council's significant high value procurements.

There are three key procurement areas which should be measured, evaluated and reported on annual regular basis:

- Contractor performance;
- Opportunities to improve processes;
- Incorporation of process improvements.

6.6 Procurement Performance Reporting

A list of performance indicators will be used to measure procurement performance. They will include criteria such as:

- Contract compliance and performance (through annual review/audit of a selected sample of current contracts);
- The proportion of expenditure against corporate contracts;
- User and supplier feedback;
- The percentage of Council purchases that have considered sustainability; and
- Measuring the success of projects and programs.

These criteria will be used as the basis for regular performance reports to the executive team and Council.

6.7 Continuous Improvement

Council is committed to continuous improvement as part of its Business Excellence Program and will review this Procurement Policy on an annual basis, to ensure that it continues to meet the corporate objectives.

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; and
- Facilitate relevant programs to drive improvement in procurement to eliminate waste and inefficiencies across key expenditure categories.

6.8 Exemption from this Policy or the Procurement Procedures

The Chief Executive Officer may only approve an exemption from this Policy or Procurement Procedures if the following is satisfied:

- The exemption does not arise because of a lack of planning; and
- The exemption does not seek, as its primary motivation, to lessen or avoid competition.

Please note: This policy is current as at the date of approval. Refer to Council's website (www.bayside.vic.gov.au) or staff intranet to ensure this is the latest version.

7. Related documents

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| Policies | Council's Risk Management Policy Council's Occupational Health and Safety Policy Council's Delegations to Chief Executive Officer Instrument of sub-delegation Gifts and Hospitality Policy |
| Strategies | Council Plan Environmental Sustainability Framework |
| Procedures | Council's Procurement Procedures and Contract Management Procedures Council's Code of Conduct for Councillors and Officers |

8. Definitions & Abbreviations

| Term | Meaning |
|---------------------------------|--|
| <i>Treatment of GST</i> | All monetary values stated in this policy include GST except where specifically stated otherwise. |
| <i>Act</i> | Local Government Act 1989 |
| <i>Commercial in Confidence</i> | Refers to information provided that is commercially sensitive and if released could cause commercial detriment or disadvantaged in the market. |
| <i>Probity</i> | In the context of a procurement process probity is a defensible process which is able to withstand internal and external scrutiny – one which achieves both accountability and transparency, providing tenderers with fair and equitable treatment. Probity is about ensuring the procedural integrity of the procurement process (Victorian Local Government Best Practice Procurement Guidelines, Department of Planning and Community Development, 2013, p.51). |
| <i>Value for Money</i> | A measure covering quality and quantity levels, performance standards, risk exposure and other policy measures (e.g. environment impacts), as well as price. Value for money is assessed on a 'whole of life' or 'total cost of ownership' basis, which includes the transitioning-in, contract period and transition-out phases of a contractual relationship. |