

GREATER SHEPPARTON CITY COUNCIL

PROCUREMENT POLICY

Effective: 23 June 2025



GREATER
SHEPPARTON

PROCUREMENT POLICY

Version:	3
Business Unit:	Corporate Governance
Responsible Officer:	Manager Corporate Governance
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1 PURPOSE

This Procurement Policy (“the Policy”) is made under Section 108 of the *Local Government Act 2020 (Vic)* (“the Act”).

It is Council’s intention that this Policy govern purchasing activities across the organisation in accordance with the requirements of the Act, being to:

- a. prepare, adopt and comply with a procurement policy which specifies the principles, processes and procedures applying to all purchases of goods and services and the carrying out of works by the Council to promote open and fair competition and ensure value for money;
- b. establish a threshold for public tender procurement activities;
- c. provide for collaboration in procurement activities; and
- d. review the Procurement Policy at least once during each 4-year term of the Council.

2 OBJECTIVES

The objectives of this Policy are as follows:

- a. ensuring value for money, innovation and continuous improvement in the provision of services for the community;
- b. incorporating a strategic approach to procurement planning, implementation and evaluation;
- c. enabling sustainable outcomes including economic, environmental and social sustainability, having regard to whole of life impacts and benefits;
- d. efficient and effective use of Council resources;
- e. demonstrating high standards of probity, transparency, risk management and accountability to ratepayers; and
- f. ensuring compliance with legislation, Council Plan objectives, Council policies and industry standards.

3 SCOPE

This Policy provides overarching principles to be applied in the carrying out of procurement activities throughout the sourcing, management and disposal phases of a purchase.

All Council Staff and Councillors are expected to observe the terms of this Policy in relation to any procurement activities they may undertake on behalf of Council.

The scope of this Policy commences when there is an identified need for procurement and continues through to the delivery of goods or completion of works and services, but does not extend to the related accounts payable processes.

4 DEFINITIONS

Reference term	Definition
Accountability and Transparency	Accountability in procurement means being able to explain and evidence what decisions have been made and 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.
Aggregated Purchasing Contract	A contract established by another government agency or a nominated third party (i.e., Municipal Association of Victoria or Procurement Australia) for the benefit of numerous State, Federal and/or Local Government entities in the interests of achieving best value by leveraging combined economies of scale.
Procurement Best Practice Principles	The Procurement Best Practice Guidelines for Victorian Local Government issued by the Municipal Association of Victoria 2024 and any revised principles which may replace same from time to time.
Circular Economy	A system based on keeping materials and products in circulation for as long as possible. It aims for the elimination of waste through superior design of materials, products and systems.
Commercial in confidence	Information that, if released, may prejudice the business dealings of a party e.g.: prices, discounts, rebates, profits, methodologies and process information.
Collaborative Procurement	Procurement activities undertaken in accordance with the requirements of Section 109(2) Local Government Act 2020 (as amended from time to time). For the purposes of this Policy, the term 'Collaborative Procurement' is distinguished from supply arrangements which have been entered into by third party agencies such as MAV or Procurement Australia and are pre-approved ('Pre-Approved Supply Arrangements').
Conflict of Interest	A general or material conflict of interest, as defined by Sections 127 and 128 the Local Government Act 2020.
Contract management	The process that ensures that 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.
Council Staff	Includes full-time, part-time and temporary Council staff, contractors and consultants engaged by the Council.
Expression of Interest (EOI)	A procurement process used to identify suppliers interested in, and capable of, delivering the required goods or services. Potential suppliers are asked to provide information on their capability to perform the work. It is usually the first stage of a multi-stage tender process.
First Nations Business	A First Nations Business is broadly defined as a business which is at least 50% owned by an Aboriginal or Torres Strait Island person(s).

Reference term	Definition
Local Business	For GSCC procurement purposes, a local business is defined as actively operating within one of the following municipalities: Greater Shepparton City Council, Moira Shire Council, Benalla Rural City Council, Strathbogie Shire Council, Campaspe Shire Council.
Panel contract	A panel contract is a standing offer agreement where multiple contractors are appointed to a panel of suppliers, rather than an agreement with just one contractor, with no obligation by Council to engage any one supplier for any particular volume of work.
Priority Jobseeker	<p>People from any one of the following groups in Greater Shepparton, as set out in the Jobs Victoria Fund Guidelines, and which may be updated from time to time:</p> <ol style="list-style-type: none"> a. women over 45 years b. long-term unemployed people (unemployed for six months or more) c. First Nations people d. people with disability e. people seeking asylum/refugees f. newly arrived migrants from non-English speaking backgrounds g. young people aged under 25 h. veterans i. jobseekers registered with the Jobs Victoria Work and Learning Centre Shepparton (Jobs Victoria Partner) j. people previously employed under the Working for Victoria initiative
Probity	<p>Within local government, the word "probity" is often used in a general sense to mean "good process."</p> <p>A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with legislation, the Council's policies and procedures 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.</p>
Probity Advisor	Refers to Council personnel or a contractor with extensive experience and skills in procurement who may develop probity plans and other key documents and provide advice and training to staff on probity principles and policies.
Probity Auditor	Primarily reviews all processes and documentation throughout the procurement process and provides a report on their findings at the conclusion of the process.
Probity Plan	A document developed to ensure the key aspects of Probity in relation to the relevant procurement process are captured for evidentiary purposes.
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including

Reference term	Definition
	disposal) or the end of a service contract. Used interchangeably with the term purchasing.
e-Procurement	e-Procurement is integral to the overall development of procurement processes and involves the use of an electronic system/s to acquire and pay for goods, services & works.
Service Performance Principles	The principles outlined in s106 of the <i>Local Government Act 2020 (Vic)</i> .
Social Benefit Supplier	<p>A business that trades as:</p> <ol style="list-style-type: none"> a. a certified social enterprise to tackle social problems, improve communities, give people access to employment and training, or help the environment; or b. a recognised disability enterprise that provides training and employment opportunities for people with disability. Disability enterprises may also be certified social enterprises.
Social procurement	Social procurement uses procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works.
Standing offer agreement	<p>The contractor agrees to provide Council with specific goods or services as nominated in the contract and the contract is for a fixed period.</p> <p>There is no obligation on Council to purchase any goods or services, however if purchases are made under the contract, they are made under the terms and conditions which form part of the contract.</p>
Sustainability	The capacity to maintain or improve the current state and availability of desirable materials, resources or conditions in the present without compromising the ability of future generations to meet their own needs. Refers to the use of Natural, Social and Economic resources.
Tender Process	The process of inviting parties to submit a quotation by tender, usually by public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Value for Money	A balanced benefit measure covering quality levels, performance standards, risk exposure and sustainability factors as well as price. Where appropriate, value for money is assessed on a 'whole of life' or 'total cost of ownership' basis, taking into account costs associated with acquiring, transitioning, using, holding, maintaining and disposing of the goods, services or works.

5 POLICY

5.1 Best Practice Procurement Principles

Council will apply the following fundamental best practice principles to all procurement, irrespective of the monetary value and complexity of that procurement:

- a. value for money;
- b. probity and transparency;
- c. open and fair competition;
- d. accountability;
- e. risk management;
- f. sustainable procurement;
- g. local social and economic outcomes; and
- h. confidentiality.

This Policy details the overarching obligations to be observed by all Council Staff and where relevant, Councillors involved in procurement of goods, services or works on behalf of the Greater Shepparton community and an outline of the method by which purchases are to be made, by reference to anticipated spend.

5.1.1 Value for Money

In determining value for money in any procurement activity, Council is not required to accept the lowest cost. Council must instead have regard for a range of factors relevant to the particular good or service procured, including but not limited to quality, sustainability, social and local outcomes, competitive pricing, risk, equity and responsiveness to the needs of the community, continuous improvement and capacity of the supplier.

5.1.2 Probity and Transparency

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

No prospective tenderer should be given or perceived to have an advantage over another tenderer.

In accordance with the Act, all members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest (Sections 126-131 of the Act).

In procurement matters:

- a. members of staff must disclose a general or material conflict of interest and Councillors must comply with the Primary Principle of Councillor Conduct and avoid conflicts between their public duties as a Councillor and their personal interests and obligations. Councillors, members of special committees and members of the Audit Committee must disclose a conflict of interest (Sections 126 - 130 of the Act);
- b. Councillors must comply with the *Model Councillor Code of Conduct*;
- c. Employees must comply with the *Employee Code of Conduct*
- d. Councillors must not improperly direct or improperly influence a member of Council staff in the exercise of any power in the performance of any duty or function (Section 120 of the Act);
- e. all consultants and external parties must complete a Deed of Confidentiality before assisting or evaluating quotation or tenders; and
- f. all Councillors must adhere to the Councillor Gift Policy in matters of procurement.
- g. Councillors and staff must make their interests known in any situation where it could be perceived that an interest might exist.

- h. all staff must carry out their functions throughout a procurement process with respect to the approved procurement plan, in addition to any probity plan and/or probity advice received.

5.1.2.1 Probity Plan and Probity Audits

A probity plan is a document that sets out the steps to be taken and the processes to be implemented to ensure a complex, high value or high risk tender is conducted in such a way as to minimise or manage risk. Formal probity plans should be developed and implemented in any of the following circumstances:

- a. In any Tender Process where the budgeted figure is \$10 million (excluding GST) or above;
- b. where a probity plan is considered necessary in complex procurement activities, where the proposed Contract is in the Executive view particularly complex, high risk or controversial in nature and requires a high level of public confidence.

An independent probity advisor must be engaged from procurement plan stage in any procurement activity with a budget estimate of \$5 million (excluding GST) or above.

5.1.3 Late Tenders

Late tenders will not be accepted under any circumstances.

5.1.4 Open and Fair Competition

Council will apply the highest standards of integrity and ethical conduct, and will conduct business in a fair and transparent manner consistent with the public interest.

Council will manage purchasing activities in a manner which prevents or minimises the likelihood of bias or perceived bias.

Council Staff will ensure that all prospective suppliers are treated fairly, with the same access to information.

All Council Staff undertaking procurement activities on Council's behalf are responsible for the actions they take and decisions they make in relation to the procurement activity itself and the outcome of that activity.

Where a third-party agent is engaged to procure works, goods or services on behalf of Council, that agent must comply with this Policy and all relevant legislation.

Council staff must not endorse any products or services for internal contracts. Any requests for endorsement of external contracts must be referred to the relevant Director or Chief Executive Officer.

5.1.5 Accountability and Ethical Conduct

Councillors and Council staff must at all times act with integrity and conduct themselves in an ethical manner. It is an expectation that Councillors and staff 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 matters and information such as tender and 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. be able to account for all decisions and provide feedback on them;
- g. remain neutral prior to all decisions.

Council Staff involved in any aspect of the procurement process must avoid conflicts of interest wherever possible.

All Tender Evaluation Panel members or other persons required to provide advice in relation to a procurement activity will be required to complete a conflict of interest declaration.

Where a conflict arises, whether general or material, Council Staff must declare the conflict and remove themselves entirely from the procurement process at the earliest opportunity.

In circumstances where a supplier is known to a member of Council Staff in a personal capacity, however the relationship does not constitute a general or material conflict of interest, the Staff member will be required to declare the interest in accordance with internal procedures.

Additional internal controls may be imposed to ensure that fairness and transparency can be maintained.

5.1.6 Risk Management

Risk management is to be appropriately applied at all stages of procurement activities ensuring sufficient planning is carried out, in order to protect and enhance Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works and/or other forms of loss.

All procurement activities will be conducted in accordance with Council's risk management framework and Risk Management Policies.

At the commencement of any formal procurement process, the Council Staff member undertaking the procurement activity will be responsible for conducting a risk assessment, by reference to Council's risk framework. The identified level of risk will inform the particular procurement process to be undertaken and the risk mitigation or management requirements to be incorporated in that process.

5.1.7 Sustainable Procurement

The organisation's procurement decisions and initiatives will be based on clear and transparent evidence, informed economic, environmental and social considerations. In order to achieve sustainable procurement outcomes, Council will adopt a triple-bottom-line approach by considering economic, environmental and social sustainability.

5.1.8 Economic Sustainability

Council's procurement activities will be carried out in such a way as to encourage value for money. The objective is to minimise the total cost of ownership over the lifetime of the requirement, including disposal and end of life costs, consistent with acceptable quality, reliability and delivery considerations. Lowest purchase price is not the sole determinant of value for money and must be considered in conjunction with other factors essential to the service or product being procured.

Whenever practicable, Council must give effective and substantial preference to contracts for the purchase of goods, machinery or material manufactured or produced in Australia.

A whole of life cost assessment should be undertaken in the evaluation of quotes or tender submissions for plant or fleet purchases under the public tender threshold (\$200,001 excluding GST), or where utilising a pre-approved purchasing arrangement via agencies such as the Municipal Association of Victoria (MAV) or Procurement Australia.

5.1.9 Environmental Sustainability

Council is committed to protecting the environment by supporting the principles of environmentally sustainable procurement within the context of purchasing on a value for money basis. Council aims to achieve this by:

- a. reducing or avoiding emissions associated with transport of goods, services or works by procuring locally where possible

- b. selecting products, services and works that have minimal effect on the depletion of natural resources and biodiversity by using resources, energy and water efficiently, including those made from recycled content;
- c. applying an Environment and Sustainability evaluation criteria to all tender processes with a mandatory 10 (ten) percent weighting to encourage purchase of environmentally sustainable products.
- d. Consider total cost of ownership or service in procurement (not up-front cost alone), where the upfront purchase price and the ongoing costs are evaluated. For example one service or material may be more expensive but require less operational, maintenance or energy costs or resources.
- e. Adopt Circular Economy principles in all purchases.

5.1.10 Social Procurement

Council is committed to improving social and economic outcomes for the Greater Shepparton community. Council will strategically use the procurement of goods, services and works to advance the prosperity and wellbeing of our local community. In undertaking social procurement, Council will focus on priority community cohorts consistent with related Council policies, strategies and plans, foremost focusing on opportunities for:

- a. First Nations people;
- b. Priority Jobseekers; and
- c. Social Enterprises.

Council shall aim to achieve this by seeking opportunities to engage with businesses led by or supporting identified priority groups, and to enable opportunities through the supply chain of Council contracts.

5.1.11 Benefit to Local Business

Council is committed to fostering positive supply relationships with Local Businesses.

To demonstrate support for local businesses and provide an economic benefit to the local region, Council will use its best endeavours to engage local suppliers and commits to the following minimum requirements in the procurement of goods, services or works:

- For all publicly advertised Tenders or formal Requests for Quotation, a mandatory evaluation criteria weighting of 10% will be applied. Consideration will be given to the location of the supplier's head office or operations depot, percentage of local staff to be utilised in the performance of the contract and amount of materials and subcontractors sourced locally to undertake the work.
- For all general purchases under the tender threshold, Council Staff must use their best endeavours to source the goods, services or works locally and obtain quotes from local suppliers where possible.

5.1.12 Gender Equity

Council is committed to improving and promoting gender equity within the organisation and community. We aim to ensure that everyone in the community enjoys the same opportunities, rights and respect, regardless of their gender.

Council will support this commitment by incorporating gender equity questions into our tender documentation and seeking opportunities to advance gender equity through the supply chain of Council contracts.

5.1.13 Confidentiality

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

This may include:

- a. information disclosed by organisations in tenders, quotation or during tender negotiations; or
- b. 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 must not go beyond the extent necessary to resolve doubt as to the proposed work under contract to be undertaken by the supplier.

5.1.14 Occupational Health and Safety

Council is committed to procurement activities that provide a safe working environment for employees, volunteers and contractors.

Council requires all of its contractors and suppliers to share this commitment in providing a safe and healthy environment, so far as is reasonably practicable.

All persons working with Council under a contract, agreement or other documented work arrangement, must comply with obligations under *Occupational Health and Safety Act* 2004, Regulations, Codes of Practice, Safety Standards and contract specific requirements.

5.1.15 Child Safe Standards

In compliance with the Victorian Child Safe Standards, Council must ensure the consideration of these standards in the procurement of goods and services, across all Council owned and operated facilities.

Greater Shepparton City Council is committed to ensuring Councillors, employees, contractors, volunteers and third party service providers understand their responsibilities in relation to Child Safety and adhere to Council's policies and procedures.

5.2 Procurement Function

5.2.1 Planning & Methodology

All procurement by Council Staff will be conducted via one of the following methods:

- a. Direct purchase (petty cash in limited circumstances, using corporate credit card, purchase cards or utilising existing supplier contracts).
- b. Request for Quotations.
- c. Approved purchasing schemes or use of Panel contract (including panels established by councils in the eastern region and Victoria).
- d. Select tender.
- e. Public tender.
- f. Collaborative or joint procurement.
- g. Aggregated purchasing contracts.
- h. Under an exemption outlined in this Policy.

To ensure that goods, services or works meet Council's needs, a Procurement Plan must be prepared for:

- a. all purchases greater than \$200,000 (excluding GST); and
- b. any project which, following a risk and complexity assessment at the commencement of the procurement activity, is considered by the purchasing staff member (in liaison with the Contracts and Procurement and Risk Teams) to require a specification and contract to adequately detail the scope of the work or Council's requirements.

5.2.2 Public Tenders

Where there is no existing contract arrangement available, a public tender process must be undertaken when purchases of goods or services or the carrying out of works is estimated to exceed \$200,000 (excluding GST).

The Council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders. A multi-stage tender process will commence with an expression of interest (EOI) followed by a selective tender process involving some or all of the EOI respondents.

A public tender process must be undertaken for all procurements valued at \$200,000 and above (excluding GST). This threshold applies to the procurement of any goods, services and works save for situations not falling within the scope of this Policy, as detailed in Section 5.2.8, or situations for which the Chief Executive Officer has granted an exemption under Section 5.2.9 of this Policy.

The procurement process for all requests for tender will be managed by the Contracts and Procurement Team via Council's chosen e-tendering platform to ensure a consistent approach for all tenders.

5.2.2.1 Notice of public Requests for Tender

Information regarding current tenders will be published on Council's web site, Council's e-tendering platform, and via an advertisement in the local newspaper or on social media where appropriate.

5.2.3 Procurement Thresholds

All purchases under the public tender threshold (\$200,000 excluding GST) will be made in accordance with the below table.

Where a panel of suppliers contract exists for the good or service being procured, all Council staff must endeavour to first engage a supplier from that contract prior to sourcing externally.

Where Council wishes to test an unfamiliar market or encourage innovation within an established market, a public invitation for an Expression of Interest may be issued, following which either a public or select Request for Tender or Request for Quotation may be requested.

Procurement Threshold (excluding GST)	Procurement Methodology
Up to \$1,000	<ul style="list-style-type: none">Request a minimum of one verbal or written quotation from a local business where possible, with consideration given to First Nations Businesses or Social Benefit Suppliers.
>\$1,000 - \$10,000	<ul style="list-style-type: none">Request a minimum of one written quotation. This methodology is appropriate only where purchases are one-off and low risk. Quotations must be sought from a local business where possible, with consideration given to First Nations Businesses or Social Benefit Suppliers.
\$10,001 - \$50,000	<ul style="list-style-type: none">Request a minimum of two written quotations. Quotations must be sought from a Local Business where possible, with consideration given to First Nations Businesses or Social Benefit Suppliers.
\$50,001 - \$200,000	<p>Low risk purchases/projects:</p> <ul style="list-style-type: none">Request a minimum of three written quotations. Quotations must be sought from a Local Business where possible, with consideration given to First Nations Businesses or Social Benefit Suppliers. <p>High risk purchases/projects:</p>

Procurement Threshold (excluding GST)	Procurement Methodology
	<ul style="list-style-type: none"> • The above is subject to a risk and complexity assessment. Where the project or service is complex or requires a detailed specification and contract to sufficiently detail the work and minimise risk, a formal Request for Quotation or Tender process should be considered.
\$200,000+	<ul style="list-style-type: none"> • Public Request for Tender process, following which a Contract is to be entered into with the successful Tenderer. • Mandatory evaluation criteria to be applied in accordance with this policy, which includes: <ul style="list-style-type: none"> ○ Price ○ Local Benefit ○ Environmental Sustainability ○ OH&S (construction contracts) <p>Any other criteria considered relevant to the particular contract</p>

5.2.4 Cumulative Spend

Council Staff must not split purchases as a means of avoiding procurement thresholds.

Assessment of purchases to establish whether the public tender threshold (\$200,001 excluding GST) has been reached will be based on a consideration of a rolling spend on like goods, services or works over the course of a two year period, taking into consideration the lifetime spend of the goods, services or works purchased. Where that threshold limit is reached within the two year timeframe, a public Request for Tender process should be undertaken.

5.2.5 Shortlisting and Negotiations

Council may provide for a shortlisting stage during any procurement process. The criteria to be applied to shortlisted suppliers should be relevant to the particular good or service being procured with the intention of producing an outcome which reflects the Service Performance Principles.

Council may also elect to invite a best and final offer from shortlisted Tenderers. The best and final offer may relate to the whole of the tenderer's tender or certain aspects.

Once a preferred tenderer or tenderers are selected, negotiations may be conducted in order to refine the commercial aspects of the contract, so long as the scope is not varied from that which was reasonably contemplated as part of the original tender documentation. Probity principles must apply to all negotiations.

5.2.6 Criteria to be considered in evaluating value for money

All procurement activities must be sufficiently documented to provide an audit trail for monitoring and reporting purposes. All Council staff members involved in procurement activities must be able to demonstrate accountability for all actions taken and decisions made by the staff member over the lifecycle of the particular good or service procured.

In order to mitigate risk and further demonstrate value for money, where appropriate, Council will take into account and assess a Tenderers previous performance in completing past projects to the quality standards required, including adhering to agreed timelines and budget and variation claims.

Every Procurement Plan for a Tender or formal Request for Quotation must include all of the following as mandatory criteria:

- a. Price
- b. Benefit to Local Region
- c. Environmental Sustainability; and

- d. OH&S Systems (for construction contracts).

The below criteria should be considered and applied as appropriate for the goods, services or works being procured:

- a. Ability of the tenderer to meet the timeframes desired by Council.
- b. Experience and capability of the Tenderer.
- c. Any accreditation or legislative obligations which may be required as a prerequisite; and

Any other criteria considered relevant to the particular Contract.

5.2.7 Collaborative Purchasing Opportunities

Before engaging any other purchasing method and in accordance with s108(c) of the Act, Council staff must first consider whether there exists any opportunity to join other Councils or other government bodies in a procurement activity in the interests of leveraging value through economies of scale.

Any report to Council recommending a particular procurement process must set out:

- a. any opportunities for collaboration, including the nature of the collaborative arrangement/s;
- b. with whom opportunities to collaborate may be available; and
- c. where a collaborative process is not undertaken, the reasons why Council cannot enter into a collaborative procurement process.

Any Federal or State funded projects are excluded from the requirement to seek opportunities for collaboration. When collaborating with other councils and public bodies, Council will do so in accordance with the following:

- a. A list of prospective contracts with a value of \$500,000 or greater for supply of goods, services or works will be shared annually between the Hume Region Regional Procurement Excellence Network Group (RPEN Group) in advance of the next budget year to allow Council staff to consider potential opportunities for collaboration.
- b. Where Council wishes to collaborate with two or more local Councils, a Heads of Agreement will be entered into, with one council nominated as the lead council for the purposes of the procurement activity. The Heads of Agreement will give authority for the Lead Council to act as procuring agent for participating councils and will detail the way in which the procurement activity will be conducted. Each participating council will be given the option to enter into a contract with its preferred service provider/s following evaluation.
- c. Alternatively, a Joinder Agreement will allow one or more Councils to join an existing contract allowing each Council to 'opt in' at any such time as it should require to do so. Each Council will then follow its own internal approval process and the contract term will be staggered to meet the individual requirements of each participating Council.

In collaborative procurement activities with the Hume RPEN Group, each participating council must be involved in:

- a. the initial decision to undertake the procurement (unless subsequently joining an existing contract under a Joinder Agreement);
- b. preparation of, and agreement to, Specifications;
- c. ensuring probity in the procurement process; and
- d. deciding which tenders it will accept or reject.

5.2.8 Purchasing situations outside the scope of this Policy

A number of purchasing scenarios are expressly stated not to fall within the scope of this Policy. Council is not required to undertake any tender, quotation, or expression of interest process if any of the following circumstances apply:

Purchasing Situation	Explanation
1. A contract made because of genuine emergency or hardship	<ul style="list-style-type: none"> Where the CEO determines that a contract must be entered into because of a genuine emergency (e.g. to provide immediate response to a natural disaster, prevent disruption to essential services or the situation poses a risk to public safety)
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party.	<ul style="list-style-type: none"> This general exemption allows engagements with another government entity or government owned entity. For example, Federal, State or Local Governments or an entity owned by the Federal, State or Local Government. Contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement Network members (e.g. Local Buy), Procurement Australia (PA) or similar.
3. Professional services	<ul style="list-style-type: none"> Legal services providers, probity advisors, financial and auditing consultants.
4. Insurance Policies	<ul style="list-style-type: none"> WorkCover Insurance policies including joint / mutual schemes
5. Information technology resellers and software developers	<ul style="list-style-type: none"> Allows Council to contract with a copyright holder where the solution is tendered directly with a software provider, or via an authorised re-seller. (e.g. Software licence agreements)
6. Development Works (where a DCP exists)	<ul style="list-style-type: none"> Works of the type defined in the Procurement of Public Infrastructure Works Policy – specifically, where works of the type required are already being carried out by a developer on the relevant site, in circumstances where it would not provide value for money to engage an alternative contractor.
7. Regional Waste and Resource Recovery Group arrangements	<ul style="list-style-type: none"> Any collaborative or other arrangement entered into as part of or via a Regional Waste and Resource Recovery Group.
8. Essential services authorities	<ul style="list-style-type: none"> Third party owned assets and related charges, where the service cannot reasonably be provided by any other supplier or where changing suppliers would not provide value for money eg. Electricity providers, water authorities, telecommunications providers.
9. Traditional Owners	<ul style="list-style-type: none"> Engagement of Traditional Owners where the primary purpose of the procurement activity is to gather information relating to Aboriginal culturally sensitive issues, including land management considerations pursuant to the <i>Aboriginal Heritage Act 2006</i> (Vic).

5.2.9 Exemptions

Where a Council Staff member wishes to purchase directly, without first undergoing a procurement process outlined in this Policy, unless any of the circumstances in Section 5.2.8 of this Policy apply, then an exemption request must be made to the Chief Executive Officer for approval. Council deems the following situations acceptable for the purpose of exempting a purchase from the requirements of this Policy:

Exemption request scenario	Explanation and requirements for approval
1. Sole supplier/proprietary owned products/services	<ul style="list-style-type: none"> Where there is a genuine need for a particular good or service for which the Intellectual Property is owned by one supplier.
2. Extension of contracts while Council is at market	<ul style="list-style-type: none"> Allows Council to extend an existing contract or make alternative arrangements for a maximum period of six months from the expiry where the tender to replace the contract has commenced. Switching supply for such a short period is usually not cost effective or practical. Extension may be required where the tender process or negotiations have taken longer than expected
3. Previously failed public market approach	<ul style="list-style-type: none"> Where a previous public tender process has failed to produce a viable result.
4. Grant Funding partner involvement	<ul style="list-style-type: none"> Where grant funding partners are involved to a significant degree in the requirements for the delivery of works (specifically, where the requirements of any particular funding agreement may conflict with the requirements of this Policy).

5.3 GOVERNANCE PRINCIPLES

All procurement activities by Council must be conducted in a manner which is consistent with procurement best practice and the Service Performance Principles. All Council Staff are required to comply with the Act and this Policy, the Procurement Operational Policy and other internal Codes of Conduct at all times.

5.3.1 Compliance monitoring and reporting

The CEO will have responsibility for internal procurement processes with the aim of ensuring:

- a. A system of approvals governs any particular transaction from end to end and no one person is responsible for the entire process;
- b. All procurement processes are transparent;
- c. Procurement activities are well documented and capable of producing an audit trail;
- d. Compliance is monitored and areas of exposure to increased risk are identified and managed.

The Contracts and Procurement Team report minor compliance issues to the relevant Team Leader, Manager or Director. Any serious breaches identified will be reported to the Audit and Risk Management Committee, the Executive Leadership Team and Council as appropriate.

5.3.2 Contract Management

The Council Staff member procuring the goods, services or works will be the owner of, and responsible for, the management of any contract which may be entered into resulting from that initial procurement activity, to ensure value for money for Council.

The Contracts and Procurement team will manage a central database of contracts and carry out regular auditing and reporting functions with the aim of ensuring that the integrity and currency of the contract information is maintained.

The contract owner will be responsible for updating all information relating to their particular contract.

The effective management of contracts is considered to require at a minimum:

- a. establishing a system to monitor the responsibilities and obligations of both parties under the contract;
- b. a commitment to early identification of issues and performance problems and finding solutions; and
- c. adhering to Council's Contract Management Manual, Risk Management Framework and monitoring contractor compliance with Occupational Health and Safety and other requirements.
- d. ensure all contractors with access to Council information comply with the Victorian Protective Data Security Standards (VPDSS) and that contractors with access to personal information comply with the Victorian Information Privacy Principles (IPPs). This may include entering into contracts binding contractors comply with the IPPs and taking steps to ensure they handle information securely.

5.3.3 Supplier Code of Conduct

Council will demonstrate a commitment to ensuring its suppliers observe Council's Supplier Code of Conduct, as updated from time to time.

The Supplier Code of Conduct will state the obligations of suppliers to act in accordance with ethical behaviours recognised through human rights obligations, including modern slavery, fair trade and ethically sourced goods and services, labour hire and environmental sustainability.

Suppliers must also adhere to Council's Occupational Health and Safety and information privacy and security requirements, including any reporting obligations, where applicable.

Prior to commencing work under a contract, suppliers will be required to complete an acknowledgment that they have read and understood, and agree to act in accordance with the Supplier Code of Conduct.

5.3.4 Risk and Audit Committee

The Audit and Risk Management Committee shall be responsible for monitoring procurement compliance on an annual basis. The Committee may make recommendations to improve practices where any potential risk areas are identified.

6 RELATED COUNCIL POLICIES AND OPERATIONAL POLICIES

- Council Plan 2021 – 2025
- Model Councillor Code of Conduct
- Conflict of Interest Policy
- Exercise of Delegations Policy
- Councillor Gift Policy
- Risk Management Policy
- Risk Management Framework
- Fraud Control Policy
- Corporate Credit Card Operational Policy
- Employee Code of Conduct
- Procurement Operational Policy
- Best Practice Procurement Guidelines for Victorian Local Government 2024

7 RELATED LEGISLATION

- *Local Government Act 2020*
- *Competition and Consumer Act 2010*

8 REVIEW

Council will review its Procurement Policy at least once during each 4-year term of the Council. This is the responsibility of the Manager Corporate Governance.

9 ATTACHMENTS

- M22/115859 Greater Shepparton City Council Supplier Code of Conduct

10 DOCUMENT REVISIONS

Version #	Date Adopted	Date Effective
1	21 December 2021	21 December 2021
2	29 November 2022	29 November 2022
3	23 June 2025	23 June 2025