

PROCUREMENT PROCEDURE MANUAL

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Responsible officer	Procurement Coordinator
Policy Owner	Manager Legal and Governance

PART A- INTRODUCTION

This Manual contains references to legislation and policy, and sets out procedures relating to the acquisition of goods, services and works by Council. It contains both standard and mandatory requirements and guidelines for Council Officers to follow. It establishes minimum standards and principles which are to be applied by Council in the procurement of goods, services and works.

It is the responsibility of all Senior Officers to ensure that these policies and procedures are understood by all Council Officers and that they are administered and applied uniformly in all instances involving procurement.

This Manual provides a framework for all competitive transactions. Whilst the procurement process will vary depending upon the value and nature of the goods, services or works being obtained, the consistent objective in the procurement process is to achieve best value on behalf of Council and the community.

Any proposed amendment to the procedures contained in this Manual must be approved by the Executive and Council.

To the extent that the law and this Policy are inconsistent, the law will prevail.

Note:

Council Officers who purchase any goods, services, construction or works, irrespective of whether a formal contract is entered into or not, must do so in conformance with CitySafe (formally known as ShireSafe), Council's OHS management system, and in particular Council's OHS Policy 12.0 Contractor Selection and Management.

For guidance and support in conforming to CitySafe please contact the Risk and Performance team.

PART B-DEFINITIONS

TERM	DEFINITION
Act	<i>Local Government Act 1989 (Vic).</i>
Accounts Payable	A section under the Finance Unit within Council responsible for the issue of payments to Contractors for the provision of goods, services or works.
Authorised Signatory List	A list detailing financial delegation limits for Council Officer's involved in authorising Purchase Orders, Contracts and approving invoices for payment is maintained by the Procurement Coordinator and is updated annually. An abridged version of this list is set out under Part F, Financial Delegations.
Authority Financial Management System	The electronic system used by Council to manage financial aspects of Council.
Authority Online Requisition System	The electronic system used by Council to create and process purchases for goods, services or works.
CSR	Means the Construction Suppliers Register which is a pre-qualification scheme for the building and construction industry, which is administered by the Department of Treasury and Finance on behalf of the State Government (http://www.dtf.vic.gov.au/Infrastructure-Delivery/Construction-Supplier-Register).
Contract	Refers to the contract entered into between Council and the Contractor outlining the terms and conditions for the provision of the goods, services or works to Council.
Contractor	Means the third party provider, or potential provider, of goods, services or works to Council.
Council	Melton City Council.
Council Officers	Employees of Council.
Finance Business Unit, Legal and Governance Business Unit and Information Services Business Unit	Means the respective departments within Council.
Executive, General Manager, Manager, Procurement Coordinator, Manager Legal and Governance, Learning and Development Coordinator, Finance	Each means the person appointed in that position from time to time.

Manager and any other position title	
Expression of Interest	A pre-selective tender process inviting potential Contractors who are interested in and capable of delivering the required goods, services or works, to lodge a tender to provide the goods, services or works. Council has a template EOI document. The most up to date version is available from the <u>Procurement Coordinator</u>
Formal Instrument of Agreement	Means the agreement that the successful tenderer must enter into with Council.
Payment Requisition Form	An approved form that must be submitted when requesting payment of an invoice received from a Contractor.
Purchase Approval Officer	Means a Council Officer with authority to approve Purchase Orders.
Purchase Order	Means an order placed by Council for the provision of goods, services or works, which incorporates Council's purchase order terms and conditions. A purchase order must be raised prior to the goods and services being obtained – so that the purchase order <u>must</u> pre-date the invoice date.
Record of Quotations	Means a record of quotations received as a consequence of the issue of a Request for Quotation. <u>The most up to date version is available from the Procurement Coordinator.</u>
Register of EOIs	Means a register of submissions received as a consequence of the issue of an EOI. <u>The most up to date version is available from the Procurement Coordinator</u>
Request for Quotation	Mean a request for a quotation issued by Council to a Contractor for the provision of goods, services or works. <u>The most up to date version is available from the Procurement Coordinator.</u>
Requisitioning Officer	A Council Officer who has made a request to purchase goods, services or works, or who has made a request for payment of an invoice, as the context requires.
Request for Tender	Means the document issued by Council to tenderers. Council has a template RFT document. The most up to date version is available from the <u>Procurement Coordinator</u> .
Tender Evaluation Plan	Means the document used by Council setting out the guidelines and process for evaluating tenders.

PART C: GENERAL PURCHASING GUIDELINES

In purchasing goods, services or works, Council must **always** follow these principles:

1. Value for Money

Obtaining value for money does not mean Council is obliged to accept the lowest price. Section 186(4) of the Act specifically provides that Council does not have to accept the lowest price.

The concept of 'value for money' involves taking into account both costs and non-cost factors including:

- 1.1. advancing Council's priorities;
- 1.2. fitness for purpose;
- 1.3. quality;
- 1.4. service and support; and
- 1.5. whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of goods, services or works.

2. Best Value

In purchasing decisions, Council will take into account the best value principles set out in Part 9 Division 3 of the Act.

A summary of these is as follows;

- services must meet quality & cost standards;
- services must be responsive to the needs of its community;
- each service must be accessible to those members of the community for whom the service is intended;
- Council must achieve continuous improvement in the provision of services for its community;
- Council must develop a program of regular consultation with its community in relation to the services it provides; and
- Council must report regularly to its community on its achievements in relation to the principles set out above.

3. Sustainability – Local Sourcing, Environmental and Social (including ethnicity and gender)

Engaging in activities that meet the needs of the present without compromising the ability of future generations to meet their needs.

Achieving value on a whole life basis in terms of generating benefits to the organisation and the community, whilst minimising damage to the environment.

Promoting diversity, inclusion & gender equity.

In addition to these principles, Council must also comply with its Procurement Policy prepared in accordance with section 186A of the Act.

PART D: ACCOUNTABILITY, SEGREGATION OF DUTIES AND PROBITY

Council Officers:

1. are required to act within their delegation levels, and must not split expenditure over different purchases to avoid delegation limits;
2. must consider the total value of a procurement over a 12 month period/and or over a contract period, in order to determine the correct procurement method to be undertaken; and
3. must consider the whole of Council spend on the item in order to determine the correct procurement method to be undertaken in accordance with this Manual.

Adequate segregation of duties is an important part of the purchasing control procedure, for example the:

1. Requisitioning Officer cannot approve the Purchase Order;
2. Purchase Approval Officer cannot process the payment for the Purchase Order;
3. Requisitioning Officer or the Purchase Approval Officer cannot edit:
 - 3.1. the accounts payable file;
 - 3.2. the general ledger code master file; or
 - 3.3. an approved Purchase Order.;
 - 3.4. these rules apply even where someone is acting in a role temporarily, with higher duties and may, by reason of this have access to multiple email inboxes including their own. For example, the officer cannot create the requisition logged on in their substantive role and then approve the purchase order logged on as or acting in the role of their Manager.

Members of staff (and all persons engaged in procurement on Council's behalf) must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny. All members of staff have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest (section 95 of the Act).

In all procurement matters:

- Council staff must disclose a direct or indirect interest (and the type of interest) before providing advice or reports (or any other matter) (section 80C of the Act).
- Council staff who have been delegated Council powers, duties or functions are prohibited from exercising those powers, duties or functions if they have a Conflict of Interest (section 80B of the Act).
- a Councillor must comply with the Primary principle of Councillor conduct (section 76B of the Act) and avoid conflicts between her or his public duties as a Councillor and her or his personal interests and obligations (section 76BA of the Act).
- Councillors (and members of Special Committees and Audit Committee) must disclose a Conflict of Interest (section 79 of the Act).
- Council staff engaged in the evaluation of quotations or tenders must complete and lodge a conflict of interest declaration.
- Council staff must make their interests known in any situation where it could be perceived that an interest might unduly influence them.
- Council staff must declare to their Manager any items delivered to Council which were not part of the requirements of the contract and which could be construed as gifts or new assets to Council. Such items must also be referenced on supplier invoices.

PART E: OVERVIEW OF PURCHASING METHODS

All purchases outside of existing Contracts should be made through a competitive process, unless expenditure is less than **\$2,500.00**, where competition is preferred but is not mandatory.

From a contractual context, every purchase results in Council entering into a Contract or a Purchase Order. Council's form of Contracts or Purchase Orders are to be used for each purchase except for one off minor purchases of less than \$1,000.00.

Purchase Orders cannot be split or issued in a way to specifically by-pass the expenditure authority levels. Any evidence of Purchase Order splitting is to be recorded and reported to the Manager Legal and Governance.

Authority Online Requisitioning System

Council utilises the Authority Online Requisition System to assist with Council purchases.

1. The Authority Online Requisition System is designed to ensure the Purchase Order is approved before the invoice is raised or paid.
2. The Authority Online Requisition System is designed to ensure that a Purchase Order cannot be created or have payment processed until it has been approved by a Purchase Approval Officer with the appropriate level of delegation.
3. Individual delegation and approval paths are set up in the Authority Online Requisition System to enable Requisitioning Officers to raise requisitions and receive approvals electronically. The workflow process on the Authority Online Requisition System will forward the requisition to the relevant Purchase Approval Officer.
4. Any Requisitioning Officer or Purchase Approval Officer, who plans to take leave, must advise the Procurement Coordinator of delegation arrangements prior to going on leave.

It is preferable to nominate a Council Officer that is familiar with the purchasing and order approval process.
5. In the event that a Purchase Order has to be approved urgently and the relevant Purchase Approval Officer is not available, the Purchase Order can be re-routed to another Council Officer by contacting the Procurement Coordinator.
6. Requests for access to and training of the Authority Online Requisition System for existing or new Council Officers must be submitted to the Learning & Development Coordinator.
7. The Learning & Development Coordinator will complete registry requirements and advise the Procurement Coordinator to set up access and arrange for a comprehensive training session.

Types of Purchase Orders

The Authority Online Requisition System can be used to raise;

1. One - off purchase orders.
2. Standing Order/Blanket Purchase Orders
 - are created for purchases which are repetitive, specified services, items from the same supplier which are purchased and paid for during a set time period, usually one (1) financial year.
 - reduce the administrative burden of raising multiple purchase orders for the delivery of repetitive works, e.g. cleaning, stationery, and security services and are also useful for contracts that will necessitate regular progress payments from the same supplier during the period of a contract.

Cancelling a Purchase Order

Occasionally a need may arise to completely delete a Purchase Order or cancel the outstanding balance. In either case, an email requesting the cancellation must be forwarded to the Procurement Coordinator detailing the order number and the reason for cancellation.

Variations to Purchase Orders

The allowed variance of a Purchase Order is 5%. Therefore, any invoice that has a variance of greater than 5% from the Purchase Order is to be investigated by the Requisitioning Officer, documented and attached to the invoice for approval by a Manager prior to payment.

PART F: FINANCIAL DELEGATION

Expenditure and authority limits which apply to purchases and payment approvals are governed by the financial delegation levels commensurate to the position description, role and responsibility of the Council Officer.

Financial delegations for positions below Coordinator level must be recommended by the responsible Manager and approved by the General Manager. Officers below Coordinator level must confirm the amount of their delegation with the Procurement Coordinator.

Should there be an operational requirement for delegations to be set at a higher level to that authorised for the position, then the Executive must undertake an individual assessment and approve any increase.

Financial delegation of authority to other Council Officers during periods of prolonged absence, must be in writing and be approved by the respective Manager. A copy of the delegation of authority or correspondence authorising delegation must be provided to Accounts Payable for record keeping.

A soft copy (Authority Spend Report) of the Authorised Signatory List detailing financial delegation limits for Council Officers involved in authorising and approving invoices for payment is maintained by the Procurement Coordinator and is updated annually.

Financial Delegation Limits for Council Officers:

POSITION	AUTHORITY
Chief Executive Officer	Up to \$500,000.00
General Manager	Up to \$180,000.00
Manager	Up to \$50,000.00
Coordinator	Up to \$10,000.00

*all figures are inclusive of GST.

PART G: SUMMARY OF PURCHASING METHODS

The following table summarises the method of purchase that must be followed depending on the level and nature of expenditure for the goods, services or works involved:

VALUE OF EXPENDITURE	MINIMUM REQUIREMENTS			
	Process Managed By	Market Engagement	Agreement Type	Main Documentation
Up to \$2,500.00	Business Unit	1 Written Quote	Purchase Order <u>OR</u>	Quotes must be registered in the Online Requisition System when raising a Purchase Order
\$2,501.00 to \$10,000.00		1 Written Quote	Corporate Card	
\$10,001.00 to less than \$150,000.00 (goods & services) or \$10,001.00 to less than \$200,000.00 (works)	Business Unit <u>OR</u> Legal & Governance	Issue formal Request for Quotation with pro forma contract attached Minimum of 3 Written Quotes required <u>OR</u> Accessing the Construction Suppliers Register (CSR)	Purchase Order <u>OR</u> Contract	Quotes must be registered in the Online Requisition System when raising a Purchase Order Evaluation Report
\$150,00.00 or over (goods & services) or \$200,00.00 or over (works)	Legal & Governance	Expression of Interest (if applicable) Tender with pro forma contract <u>OR</u> Accessing the CSR	Contract	Tender Submissions Evaluation Report Council Report incl. Evaluation Report/Memo to Delegate Contract

*all figures are inclusive of GST.

PART H: SPECIAL CONDITIONS AND EXCEPTIONS TO PURCHASING METHODS

Purchase Order Creation Exceptions

Purchase Orders or Contracts should always be used for purchasing goods, services or works.

The exceptions to this requirement are:

1. work order system generated orders;
2. orders placed through the Library Management System;
3. purchases through a corporate credit card;
4. purchases through a fleet card; or
5. emergency works.

Corporate Purchases

All corporate purchases fall under the Legal and Governance Business Unit's control and must be referred to the Procurement Coordinator for order placement. Corporate purchasing includes expenditure relating to:

Stationery; Copy Paper; Printer Cartridges; Mobile Phone Handsets and Service Connections; Plant and Machinery including Motor Vehicles and Office Furniture.

Information Technology Equipment Purchases

All purchases of information technology related equipment must be referred to the Information Services Business Unit. This will apply to all information technology related purchases irrespective of whether the equipment is operated and supported within the Council IS environment.

Information technology equipment includes, but is not limited to:

Software, Hardware, USB disk drives and memory cards; Computers, Screens, Printers, Mouse & Keyboards; Scanners, Modems, Speakers, CD Burners, Digital Cameras; Software and Hardware Maintenance Agreements, including Printer Maintenance Agreements; Items that require connection to the Melton Network or requires Software Installation.

Panel Contracts for Purchases which arise out of internal services

Various departments within Council have contracts with a panel of suppliers for their service, for example Events, Operations, People and Culture. Staff should not be engaging a panel contractor directly but via the relevant department (usually via a CAR)

Competitive Quotes Exception

There are a number of exceptions to the process for obtaining competitive quotes for goods and services up to \$150,000 and for works up to \$200,000, that is, for good and services under the tender threshold:

1. Existing Contracts

If a Contract already exists for particular goods, services or works, only the Contractor under that Contract is to be engaged. Approval from the respective General Manager must be sought to purchase outside any existing Contract.

Legal advice may need to be obtained in relation to any potential breach of the existing contractor's contract.

2. Specialist or Specialist Skills

In instances where a Contractor has already undertaken work and holds relevant materials (for example artwork, research, etc.), specific knowledge or specialist equipment, it may be beneficial to continue with that Contractor for additional works without obtaining further competitive quotes.

In this case, the preferred course is to confirm the additional works in writing and emphasise that the additional works are to be provided on the same terms as previous work. The onus is on the Council Officer to submit evidence that the Contractor falls under this category. However, it is recommended that wherever practicable, Council Officers undertake a competitive process whilst engaging Contractors in this category.

To meet audit requirements, sign off from the relevant Manager must be obtained indicating that the transaction falls under this "Specialist Exemption" category prior to placing a Purchase Order to avoid the Purchase Order being queried on audit.

3. Sole Suppliers

If it can be demonstrated that there is only one supplier then Council is free to enter into a Contract or Purchase Order with that supplier (mindful of its obligation to obtain value for money).

Tender Exceptions

There are only a few exceptions to the requirement of a public tender process (including EOI, where appropriate), for goods and services at or above the tender threshold - \$150,000 and for works at or above \$200,000.

1. Legal Advice

The engagement of an external legal provider, including conveyancing, should only be by the Manager Legal and Governance. For all legal advice, please complete a Legal Services Request via ECM.

2. Ministerial exemption granted pursuant to s186(5)(c).

(a) The Minister has approved council access and usage of the State Government's Construction Supplier Register pre-qualification scheme under s186(5)(c).

The Register is the pre-qualification scheme for building contractors and consultants interested in tendering and quoting for works required by Victorian Government departments and agencies.

Staff may obtain quotes or directly tender entities from the CSR. Please contact the Procurement Coordinator to access.

(b) The Minister has approved for councils to enter into contract with or through Agency arrangements, for the provision of goods and services or works. For the purposes of the approval, the Agency will undertake a competitive tender process in relation to each of its proposed contracts for goods, services or works available to the council.

- On 7 May 2014, the Minister approved arrangement for councils to enter into a contract with or through MAV Procurement, a unit of the Municipal Association of Victoria, for the provision of goods and services or works.
- On 4 August 2014, the Minister approved arrangement for councils to enter into a contract with or through Procurement Australia, for the provision of goods and services or works.

These Ministerial exemptions do not affect the requirement to have the matter decided by Council.

3. Emergency Works.

4. A novation of a contract, where a public tender process applied to the contract when created.

If in doubt about whether these exemptions apply, please seek guidance from the Procurement Coordinator.

*all figures are inclusive of GST.

PART I: PROCEDURE FOR PURCHASES OF UP TO \$2,500.00 FOR GOODS, SERVICES OR WORKS

Step 1: Issue a Request for Quotation

A Requisitioning Officer may issue a Request for Quotation with purchase terms to potential Contractors.

Step 2: Assess the quotations

The Requisitioning Officer must evaluate the quotations received against pre-determined criteria to enable the selection of a successful Contractor.

Importantly, it is not mandatory to select the cheapest quotation. Rather, consideration must be given to the overall maximum benefit to Council. This process must be transparent, consistent and documented.

Quotations received from Contractors are confidential and must not be divulged to other Contractors in order to achieve a better price.

Step 3: Place the order on the Authority Online Requisition System

The Requisitioning Officer must raise a Purchase Order on the Authority Online Requisition System and attach all quotations received from the Request for Quotation.

Once lodged, the Purchase Approval Officer responsible for approving the purchase will receive an automated email advising them of the Purchase Order that is awaiting action.

Step 4: Approval by Council Officer

Purchase Approval Officers are responsible for ensuring that:

1. all purchases are in accordance with Council's policies and procedures and the purchase falls within the approved Council budget;
2. the correct cost centre is used;
3. they have appropriate financial delegation authority to approve the Purchase Order;
4. all necessary procedures have been complied with, including the provisions outlined in the Act, Council resolutions and any other statutory or policy requirements; and
5. Purchase Orders are approved promptly.

Step 5: Issue Purchase Order

Once the Purchase Order has been approved, the Requisitioning Officer can proceed to send the Purchase Order to the Contractor.

Step 6: Archive documents

All quotations and file notes of the evaluation process must be archived by the Requisitioning Officer.

PART J: PROCEDURE FOR PURCHASES OF \$2,501.00 TO \$10,000.00 FOR GOODS, SERVICES OR WORKS

Step 1: Issue a Request for Quotation

The Requisitioning Officer must obtain approval from a Manager or Coordinator before issuing a Request for Quotation. In obtaining this approval, the Requisitioning Officer must provide the following information to the Manager:

1. a description of the goods, services or works to be purchased by Council;
2. a detailed estimate of the cost of the goods, services or works to be purchased by Council; and
3. details of the organisation(s) that Council proposes to issue a Request for Quotation too.

Once the Requisitioning Officer has obtained approval, the Requisitioning Officer may issue the Request for Quotation with purchase terms.

Step 2: Assess the quotations

The Requisitioning Officer, in consultation with a Purchase Approval Officer, must evaluate the quotations received against pre-determined criteria to enable the selection of a successful Contractor.

Importantly, it is not mandatory to select the cheapest quotation. Rather, consideration must be given to the overall maximum benefit to Council. This process must be transparent, consistent and documented.

Quotations received from Contractors are confidential and must not be divulged to other Contractors in order to achieve a better price.

Step 3: Place the order on the Authority Online Requisition System

The Requisitioning Officer must raise a Purchase Order on the Authority Online Requisition System and attach all quotations received from the Request for Quotation.

Once lodged, the Purchase Approval Officer will receive an automated email advising them of the Purchase Order that is awaiting action.

Step 4: Approval by Council Officer

The Purchase Approval Officer is responsible for ensuring that:

1. all purchases are in accordance with Council's policies and procedures;
2. the purchase falls within the approved Council budget;
3. the correct cost centre is used;
4. they have appropriate financial delegation authority to approve the Purchase Order;
5. all necessary procedures have been complied with, including the provisions outlined in the Act, Council resolutions and any other statutory or policy requirements; and
6. Purchase Orders are approved promptly.

Step 5: Issue Purchase Order

Once the Purchase Order has been approved, the Requisitioning Officer can proceed to send the Purchase Order to the Contractor.

Step 6: Archive documents

All quotations and file notes relating to the evaluation process must be archived by the Requisitioning Officer.

PART K: PROCEDURE FOR PURCHASES OF \$10,001.00 TO LESS THAN \$150,000.00 FOR GOODS & SERVICES OR \$10,001.00 TO LESS THAN \$200,000.00 FOR WORKS

Step 1: Issue a Request for Quotation

The Requisitioning Officer must obtain approval from a Manager before issuing a Request for Quotation. In obtaining this approval, the Requisitioning Officer must provide the following information to the Manager:

1. a description of the goods, services or works to be purchased by Council;
2. a detailed estimate of the cost of the goods, services or works to be purchased by Council; and
3. details of the organisations that Council proposes to issue a Request for Quotation too.

Once the Requisitioning Officer has obtained approval from a Manager, the Requisitioning Officer may issue a Request for Quotation with either purchase terms or draft contract attached.

Step 2: Record of Quotations

Issue a formal Request for Quotation with either purchase terms or pro forma contract attached.

A minimum of 3 written quotations is required.

If 3 quotations are not received, the Requisitioning Officer may request another quote from a different Contractor or decide to proceed with the initial quotes received. Before making the decision to proceed in the absence of 3 quotes, the Requisitioning Officer must document the reasons why it was decided to proceed with less than 3 quotes.

Step 3: Assess the quotations

Once the Requisitioning Officer has completed the Record of Quotations, the Requisitioning Officer, in consultation with the Purchase Approval Officer, must evaluate the quotations received against pre-determined criteria to enable the selection of a successful Contractor.

Importantly, it is not mandatory to select the cheapest quotation. Rather, consideration must be given to the overall maximum benefit to Council. This process must be transparent, consistent and documented.

Quotations received from Contractors are confidential and must not be divulged to other Contractors in order to achieve a better price.

If applicable, the Requisitioning Officer must also access the CSR to determine whether the potential Contractors are listed. Contractors that are listed on the CSR are more favourable than those who are not.

Once the Requisitioning Officer has evaluated the quotations and determined the most favourable Contractor, the Requisitioning Officer must retain a record of the evaluation process undertaken and the reason for choosing the Contractor. This must be signed by the Purchase Approval Officer.

Step 4: Place the order on the Authority Online Requisition System

The Requisitioning Officer must raise a Purchase Order on the Authority Online Requisition System and attach:

1. all quotations received from the Request for Quotation; and
2. the file note of the evaluation process that is signed by the Purchase Approval Officer.

Once lodged, the Purchase Approval Officer will receive an automated email advising them of the Purchase Order that is awaiting action.

Step 5: Approval by Council Officer

Purchase Approval Officers are responsible for ensuring that:

1. all purchases are in accordance with Council's policies and procedures;
2. the purchase falls within the approved Council budget;
3. the correct cost centre is used;
4. they have appropriate financial delegation authority to approve the Purchase Order;
5. all necessary procedures have been complied with, including the provisions outlined in the Act, Council resolutions and any other statutory or policy requirements; and
6. Purchase Orders are approved promptly.

Step 6: Preparation of Contract (if required)

Once the Purchase Order has been approved by a Purchase Approval Officer, the Requisitioning Officer must complete the draft contract, if a contract is to be used, in conjunction with the Procurement Coordinator and Senior Administration Officer (with advice from the Legal Officer as required).

The Manager Legal and Governance will arrange preparation of the Contract in conjunction with the Requisitioning Officer if a contract is required.

Step 7: Archive documents

All quotations and evaluation notes relating to the evaluation process must be archived by the Requisitioning Officer.

PART L: PROCEDURE FOR PURCHASES OF \$150,000.00 OR OVER FOR GOODS & SERVICES OR \$200,000.00 OR OVER FOR WORKS

Step 1: Obtain Council approval for the expenditure

The relevant business unit seeking to procure the purchase must ensure it has approval for the expenditure.

Step 2: Obtain Relevant Templates and Contract Number if there is an EOI

The relevant Council officer must obtain a copy of the relevant and up-to-date templates from the Procurement Coordinator. These will usually include:

1. Draft advertisement;
2. EOI (if applicable);
3. Request for Tender including proposed contract; and

The relevant Council officer should follow the Tender Process and Contracts Guide in preparing documentation including the preparation of the specifications.

The relevant Council officer must redline all insertions into the document and provide the draft to the Procurement Coordinator for checking.

The Procurement Coordinator will obtain legal advice as required.

If there is to be an EOI and then a tender, a contract number will be provided by Procurement at this point.

Step 3: Issue the EOI (if applicable)

If there is no EOI and the procurement is only by tender, proceed directly to Step 6.

Once these documents have been finalised and approved the Procurement Coordinator (and Legal Officer if relevant), or Senior Administration Officer can issue the EOI (if applicable).

The EOI (if applicable) must be ready to issue before the advertisement is placed. The advertisement must be arranged with the Senior Administration Officer by no later than 3pm on the Thursday before a Saturday advertisement.

Step 4: Register of EOIs (if applicable)

After the closing date for receipt of EOIs, the Procurement Coordinator or Business Unit must open all EOIs and prepare a Register of EOIs.

Step 5: Assess the EOIs (if applicable) and proceed to Tender

The Procurement Coordinator or Business Unit must assess the EOIs in accordance with the evaluation criteria in the EOI and prepare an EOI evaluation report for each EOI received by Council.

Once an evaluation report has been completed for each EOI received, the Procurement Coordinator or Business Unit must prepare a summary of the evaluation reports which recommends the parties who should be provided with a Request for Tender.

This summary must be provided to the relevant Manager within Council for consideration and approval.

Once the Manager has considered and approved the parties that will and will not be provided with a Request for Tender, the Procurement Coordinator/Senior Administration Officer will issue a Request for Tender in conjunction with the relevant business unit.

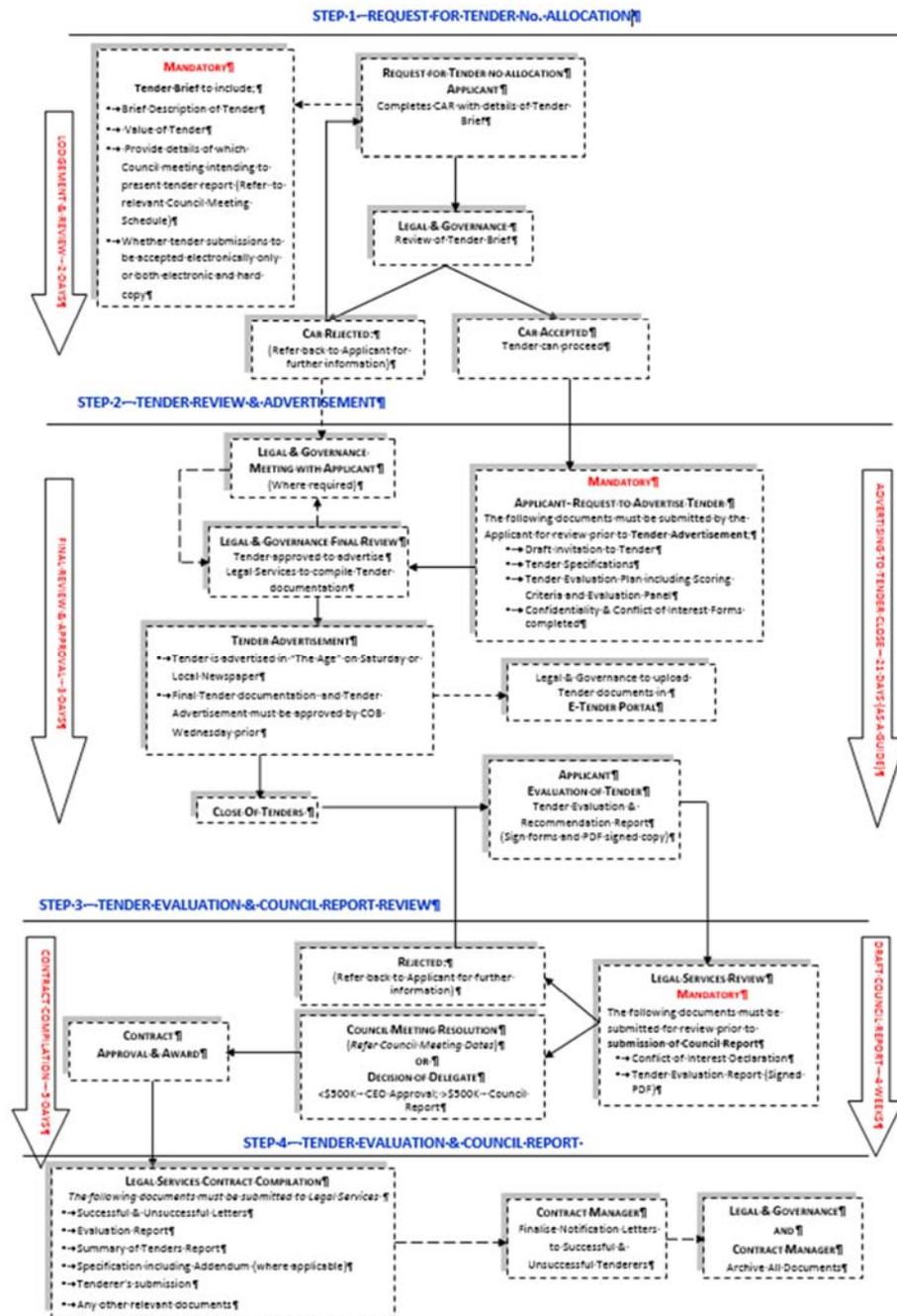
Once these documents have been finalised and approved by the Manager Legal and Governance, the Procurement Coordinator /Senior Administration Officer can issue the Tender.

If there has been an EOI process no advertising for tender is required.

Step 6: The Tender

The Tender process should be commenced by raising a CAR through ECM initiated by the council officer (the applicant).

The flowchart below outlines the process:



Evaluation of the Tender

The Tender should be assessed only against the criteria.

Council may conduct a shortlisting process. Shortlisted Tenderers may be invited by the Council to submit a best and final offer (BAFO) in relation to all or certain aspects of their respective Tenders provided it is done in order to determine the Tender based on the criteria and within the General Conditions of Tender.

A BAFO process is not specifically about achieving best price but rather about clarifying a deficiency – splitting the field that is otherwise unable to be separated –which may be done on price. It cannot be used to change the specification or the criteria to be used. It is about deficiency of the submission. It is not appropriate on all tenders.

It should only be done if:

- It is appropriate and
- The right question(s) is asked of the tenderer.

Getting it wrong risks an unfair process and/or non-compliance with s186 – which leaves Council exposed - to a claim from another non-successful tenderer or a complaint to Inspectorate, Ombudsman etc.

The Question of a Council Report

The CEO has delegation to award a contract up to \$500,000 where that amount is in the existing Council budget. That said, for reasons of transparency it may still be appropriate to have the Council decide the matter. Guidance should be sought from management.

Any contract over \$500,000 (including the aggregate of contracts which have been split but which are for the same good/service/capital works) or where the amount is not in the existing Council budget must be referred to Council to decide.

Contracts should be considered in the part of the meeting that is open to the public unless a General Manager or CEO directs otherwise. The attachments are declared confidential by the CEO and are not available to the public. There is a specific contract template in InfoCouncil for contracts.

Compilation of Contract

Once the contract is awarded by Council, the Business Unit should engage with the Procurement Coordinator and Senior Administration Officer Legal & Governance in order to send out letters to successful and unsuccessful tenders, compile the contract and send the contract out for execution.

Archive documents

All correspondence and reports relating to the EOI and tender process must be saved in ECM by the Business Unit.

In addition, a hard copy of the executed contract should be forwarded to the Senior Administration Officer Legal & Governance for archiving.

PART M: OTHER COUNCIL EXPENSES

1. Petty Cash

The petty cash facility can be used to acquire and pay for small and urgent items of operational expenditure such as car parking, public transport fares, food and urgent operational supplies.

Petty cash floats are held by various departments within Council.

Petty cash may not be used for:

- 1.1. the cashing of cheques.
- 1.2. payment of salaries and wages.
- 1.3. expenses of a private nature.
- 1.4. fuel (except where authorised fuel cards are not yet available or Council Officer is not in possession of a Corporate Credit Card).
- 1.5. I.O.U's.

All claims for reimbursement are to be submitted on petty cash vouchers and must be approved by a Purchase Approval Officer. Claims must be supported by original receipts.

2. Online Transactions

Some suppliers to Council provide a web-based ordering system. Only Council Officers with delegated authority may place these orders.

An example of the web based ordering systems currently in place include:

- 2.1. WINC Stationery Ordering system – <https://welcome.winc.com.au>;

3. Corporate Credit Cards

Corporate Credit cards are available to staff as required for:

- 3.1. of high volume, low transaction value up to the designated card limit;
- 3.2. from “one off” suppliers (to reduce internal costs associated with the creation of suppliers on the Authority Financial Management System); and
- 3.3. when payment is required at point of sale, prior to despatch.

Council Officers who hold a corporate credit card may purchase goods and services in accordance with the Corporate Credit Card Policy.

Please refer to the “Corporate Credit Card Procedure” for further details.

4. Fleet Cards

Council has provided authorised users with fleet cards for the purchase of fuel, tyres, car wash, emergency repairs and servicing of Council owned vehicles.

Council Officers that have been allocated a Council vehicle are required to submit monthly fleet card transaction statements that are duly authorised by the user's Manager together with corresponding receipts to the Procurement Coordinator at the end of the monthly cycle for reconciliation.

Please refer to the “Motor Vehicle Policy” and “Motor Vehicle Procedure” for further details.

PART N: PAYMENT REQUISITIONS

1. Authority Online Requisitions

Purchase requisitions initiated by a Council officer irrespective of their financial delegation are authorised via the Authority Online Requisition System by a Council officer with the appropriate financial delegation, as nominated in the predetermined workflow.

Council officers are required to raise a Purchase Order prior to engaging the Supplier. Suppliers are then required to quote the Purchase Order number on their invoices for payment.

2. Invoice Verification

Invoices for goods/services shall be approved by the Council officer receiving the goods. The Council officer will be responsible for verifying that the goods/services received are in good condition, quantity invoiced and meet standards specified in the Purchase Order.

PART O: OTHER POLICIES AND PROCEDURES

In following this Manual, Council Officers should have regard to the following policies and procedure manuals of Council:

1. Procurement Policy;
2. Tender Process and Contracts Guide;
3. Corporate Credit Card Policy including its reference to the Hospitality and Entertainment Policy;
4. Motor Vehicle Policy and Motor Vehicle Procedure;
5. Gifts (including benefits & Hospitality) procedure
6. Any other Council Policy or Procedure that may relate to this Procedure.