

	<h1>Procurement Policy</h1>
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Endorsement	Executive, 18 November 2014 Policy Review Panel, 26 November 2014
Authorisation	Council, 16 December 2014
Expiry date	16 December 2015
Responsible officer	Finance Manager
Policy owner	Procurement Coordinator

1. Purpose

The objective of this policy is to provide policy and guidance to Council to allow consistency and control over procurement activities ensuring that Council's expenditure on the procurement of goods, services and works is effective, accountable, lawful and sustainable for the benefit of the community.

2. Scope

This Procurement Policy is made under Section 186A of the *Local Government Act 1989*. The Act is the key legislative framework that regulates the process of all local government procurement in Victoria. Section 186A of the Act requires the Council to prepare, approve and comply with a Procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council.

This policy applies to all contracting and procurement activities and is binding upon Councillors, Council officers, temporary Employees, Contractors and Consultants while engaged by Council.

3. Policy

This policy will assist Council to improve business relationships through a procurement process that is consistent and transparent and reduces the cost of doing business.

4. Principles for Procurement

Council will apply the following principles for procurement that have been developed taking into account industry and best practice standards:

4.1	Responsible Financial Management
	The principles of responsible financial management shall be applied to all procurement activities.
4.2	Best Value
	Council Officers will procure goods, services and works which provide best value. This means minimising the total cost of ownership over the lifetime of the requirement

	<p>consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinate of best value</p> <p>Council will ensure efficient and effective procurement outcomes through a continuous improvement approach in the provision of all services to the community that meet Council's economic, environmental objectives and community expectations.</p>
4.3	Open and Fair Competition
	<p>Council Officers will treat suppliers without bias. Suppliers will each have access to the same information when quoting or tendering for Council business.</p>
4.4	Accountability
	<p>Council is accountable for its procurement activities and maintains consistency in the approach to procurement across the whole organisation through coherent frameworks, policies and procedures.</p> <p>Council demonstrates its accountability by meeting audit, legislative and reporting requirements.</p>
4.5	Risk Management
	<p>Risk Management will be applied at all stages of procurement activities and will be properly planned and carried out in a manner that will protect and enhance Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.</p> <p>Strategies for managing risks associated with all procurement processes are in place and consistent.</p>
4.6	Probity and Transparency
	<p>Council procurement processes will be conducted in a fair, honest and open manner, with the highest levels of integrity.</p>
4.7	Local Sourcing
	<p>Council recognises that it is a major purchaser of goods, services and works and that its procurement practices have the potential to impact the local economy. Council will endeavour to support businesses and industries within the municipality and maximise these opportunities by means that are consistent with achieving best value for money.</p>
4.8	Sustainable Procurement
	<p>Council is committed to safeguarding environmental quality and wellbeing for its present and future communities. Council recognises the potential impact procurement has on the environment and where applicable will integrate sustainability, environmental and social considerations into the procurement process.</p>
4.9	Performance Measurement and Continuous Improvement
	<p>Appropriate performance measures will be established and reporting systems will be used to monitor performance and compliance with procurement policies and procedures to support continuous improvement.</p>
4.10	Processes and Procedures
	<p>Council will maintain a Purchasing Procedures Manual that details the processes and procedures that apply to all purchases of goods, services and works. The Purchasing Manual addresses the principles listed.</p>

5. Responsibility/Accountability

5.1	Executive and Managers
	<ul style="list-style-type: none">It is the responsibility of all Managers and the Executive to ensure this Policy is strictly adhered to.
5.2	All Staff
	<ul style="list-style-type: none">It is the responsibility of all employees of Council to ensure this policy is followed.

6. References and links to legislation and other documents

Name	Location
<i>Local Government Act 1989 (Vic)</i>	http://www.legislation.vic.gov.au
Purchasing Procedures Manual	Melton City Council Intranet/Organisation/Workplaces/Procurement, Contract Management & Insurance page http://intranet2013.melton.vic.gov.au/organisation/wps/procurement/Pages/default.aspx
Contract Management Guidelines	http://www.mav.asn.au
Victorian Local Government Procurement Best Practice Guidelines 2013	http://www.dpcd.vic.gov.au
Australian Government Sustainable Procurement Guide	http://www.environment.gov.au/
Social Procurement: A Guide for Victorian Local Government	http://www.dpcd.vic.gov.au