

PROCUREMENT PROCEDURE MANUAL

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Responsible officer	Procurement Coordinator
Policy Owner	Manager Finance

PART A- INTRODUCTION

These are the Procurement Procedures referred to in Council's Procurement Policy.

This document 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 ensure that procurement of all goods, services and works promoted open and fair competition and achieves Value for Money on behalf of Council and the community.

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

To the extent that the law and this manual 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 2020 (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.
Collaborative Procurement Arrangements	are arrangements established by the Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV), which aims to achieve better value by leveraging the combined economies of scale provided by multiple participants
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	means the entire Melton City Council organisation, including Councillors and Council Officers.
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	Each means the person appointed in that position from time to time.

Coordinator, Finance 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 Legal and Governance
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. There may be rare exceptions to this, for example, emergency works where the invoice arrives after the PO 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 Legal and Governance.
Tender Evaluation Plan	Means the document used by Council setting out the guidelines and process for evaluating tenders.
Total Contract Value	means the sum of once-off or ongoing cumulative spend over the life of the Contract, including: <ul style="list-style-type: none"> • costs applicable to any options for either party to extend the contract; • applicable goods and services (GST);

	<ul style="list-style-type: none">• anticipated contingency allowances or variations;• all other known, anticipatory and reasonably foreseeable costs
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PART C: GENERAL PURCHASING GUIDELINES

In purchasing goods, services or works, Council must comply with its Procurement Policy and **always** follow the Procurement principles set out in Council's Procurement Policy, being:

1. Value for Money;
2. Open and Fair Competition;
3. Accountability;
4. Risk Management;
5. Probity and Transparency;
6. Sustainable Procurement – Economic (Buy Local), Environmental and Social (including ethnicity and gender).

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; and
2. must consider the Total Contract Value of a procurement in order to determine the correct procurement method to be undertaken.

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 (needs updating).

Conflict of Interest

Councillors and Council Officers shall at all times avoid situations which may give rise to an actual or perceived conflict of interest. A conflict of interest may be a 'general' or a 'material' conflict of interest.

A member of Council Officers have a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A member of Council Officers have a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit or loss may be direct or indirect and pecuniary or non-pecuniary. Affected persons include, among others, the member of Council Staff and their family members.

In all procurement matters Council Officers must comply with Council's Code of Conduct, and the conflict of interest procedures relating to procurement set out or referred to in the Procurement Policy and these Procurement Procedures.

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.

Every purchase results in Council entering into a Contract or a Purchase Order unless an exception applies as specified in Section H. Council's form of Contracts or Purchase Orders are to be used.

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 Procurement Coordinator.

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 People & Culture, specifically the Workforce Planning 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 Accounts Payable inbox detailing the order number and the reason for cancellation.

Variances to Purchase Orders

The allowed variance of a Purchase Order is 10%. Therefore, any invoice that has a variance of greater than 10% 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:

Standard Purchasing Delegations (Direct Purchases)

POSITION	AUTHORITY (figures include GST)
Chief Executive Officer	Up to \$500,000
Executive	Up to \$250,000
Manager	Up to \$50,000
Coordinator	Up to \$10,000
Team Leader / Officer	Up to \$5,000

Contract Delegations (Only applicable once the contract has been awarded by Council. The below table indicates payments/purchases made towards such contracts)

POSITION	AUTHORITY (figures include GST)
Chief Executive Officer	Unlimited
Executive	Up to \$750,000
Capital Projects Manager	Up to \$500,000
Operations Manager	Up to \$500,000
Environment & Waste Manager	Up to \$500,000
Capital Projects Coordinator	Up to \$100,000
Manager (all other Managers)	Up to \$50,000
Coordinator (all other Coordinators)	Up to \$10,000
Team Leader / Officer	Up to \$5,000

Release of Bank Guarantees/Bonds/Securities

POSITION	AUTHORITY (figures include GST)
Chief Executive Officer	Unlimited
Executive / Manager Planning Services	Up to \$1,500,000
Manager	Up to \$500,000

Formalise Novated Lease Delegation within Procurement Procedures Manual:

General Manager Corporate Services, People and Culture Manager and Manager Finance have delegation to execute Novated Lease Agreements.

*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	No 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 or Exemption under Part H	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> Procurement	Issue formal Request for Quotation with pro forma contract attached Minimum of 3 Written Quotes required <u>OR</u> Exemption under Part H	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)	Procurement and Legal & Governance	Expression of Interest (if applicable) Tender with pro forma contract <u>OR</u> Exemption under Part H	Contract	Tender Submissions Evaluation Report Council Report incl. Evaluation Report/Memo to Delegate Contract

*all figures are inclusive of GST.

PART H: EXCEPTIONS TO PURCHASING METHODS AND THRESHOLDS

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. orders placed through the Library Management System;
2. purchases through a corporate credit card;
3. purchases through a fleet card; or
4. emergency works.

Corporate Purchases

All corporate purchases fall under the Finance Business Unit's control and must be referred to the Procurement department 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)

Approved Group Buying Arrangements

The following panel arrangements or contracts are approved group purchasing arrangements for the purposes of the exemption #:

- A panel arrangement or contract established by the Victorian Government
- A panel arrangement or contract established by MAV
- A panel arrangement or contract established by Procurement Australia

Tender and Competitive Quotes Exceptions

The Procurement Policy sets out a number of exemptions to the requirement to obtain competitive quotes or conduct a public tender for goods and services. The Exemptions and associated process for approval is set out below.

Unless specifically stated in the Exemption Explanation, an Exemption Form must be approved in accordance with the financial delegations in Part F based on the Total Contract Value of the proposed Procurement.

Exemption description	Explanation	Exemption Form Needed?
A contract made because of genuine emergency or hardship	<ul style="list-style-type: none"> Allows a contract to be entered into where the CEO considers it to be necessary because of an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.). In the event that any Contracts are entered into as a result of genuine emergency or hardship, the CEO will notify the Mayor of same within a reasonable period time of entering that Contract. 	YES
Extension of contracts while Council is at market	<ul style="list-style-type: none"> Allows the extension of an existing contract where the Procurement process to replace the contract has commenced (or is imminent) and where the establishment of an interim short-term arrangement with an alternative supplier would lead to Council achieving lesser Value for Money or an adverse effect on public interest 	YES
Professional Services unsuitable for tendering	<ul style="list-style-type: none"> Only allows the acquisition of legal services and insurance (other than broking services) 	YES
Novated Services	<ul style="list-style-type: none"> Allows a contract to be novated to a new third party where the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party 	YES
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"> Allows contracts with another government entity or government owned entity. Allows engagements pursuant to panels established by another government entity, local authority or approved group purchasing scheme (including Collaborate Procurement Arrangements). The Procurement Procedures will set out approved group purchasing schemes. 	YES, unless group purchasing scheme is approved in these Procedures
Information technology licensing, maintenance and support renewals	<ul style="list-style-type: none"> Allows the renewal of software licenses and maintenance and support, or upgrade to existing systems, where there is only one supplier of the software who holds the intellectual property rights to the software. 	YES
Collaborative Procurement Arrangements and processes	<ul style="list-style-type: none"> Where a competitive tender process has been conducted under a Collaborative Procurement Arrangement. Also allows Council to continue or use outputs of a competitive tender process performed during an unfinished Collaborative 	YES

	Procurement Process or one in which Council has ceased to participate in circumstances where an additional tender process would lead to Council achieving lesser Value for Money	
Operating Leases	<ul style="list-style-type: none"> Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the vehicle. 	YES
Monopoly market or sole supplier	<ul style="list-style-type: none"> Statutory compulsory monopoly insurance schemes (WorkCover, motor vehicle insurance) Supply of utilities or other services by statutory bodies with a monopoly (electricity, water) When a Procurement requires access to the sole source of, or access to, the required services, particular facilities or intellectual property, including where the marketplace is restricted by license conditions or third-party ownership of an asset (excluding public utility plant); Council is party to a joint arrangement where Council jointly owns the Intellectual Property with a third party provider; 	YES
Adverse effect on Value for Money or public interest	<ul style="list-style-type: none"> Where the Council or the CEO considers that the nature of the Procurement and the characteristics of the market are such that a public tender process would lead to Council achieving lesser Value for Money or adverse effect on public interest, 	YES

All exemptions must be supported by a procurement exemption form, which can be provided by the Procurement team.

*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 must 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: Record of quotations

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

A minimum of 1 written quotation is required.

Step 3: 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 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 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 5: 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;
1. the purchase falls within the approved Council budget, or approved CEO variation
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 6: Issue Purchase Order

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

Step 7: 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.

Contractors that are listed on an approved group buying arrangement (panel) 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, or approved CEO variation
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 Legal and Governance Business Unit).

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

Note: Staff member at the Coordinator level (minimum) or Manager level (preferred) **must be clearly in charge of the tender process.**

Contractors are not permitted to manage the tender process.

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

1. Draft advertisement; (Procurement Coordinator)
2. EOI (if applicable); (Legal and Governance)
3. Request for Tender (Legal and Governance) 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 and evaluation of the Tender

The relevant Council officer must raise a CAR with Legal Services to obtain the most up to date EOI/RFT templates and then must redline all insertions into the document and provide the draft to Legal and Governance for checking.

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 by Legal and Governance the Procurement Coordinator 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 Procurement Team by no later than 12 noon on the Thursday before a Saturday advertisement.

Step 4: Register of EOIs (if applicable)

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

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

The Business Unit (alongside the Procurement Coordinator should they wish to opt in to this tender panel) 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, 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 will issue a Request for Tender in conjunction with the relevant business unit.

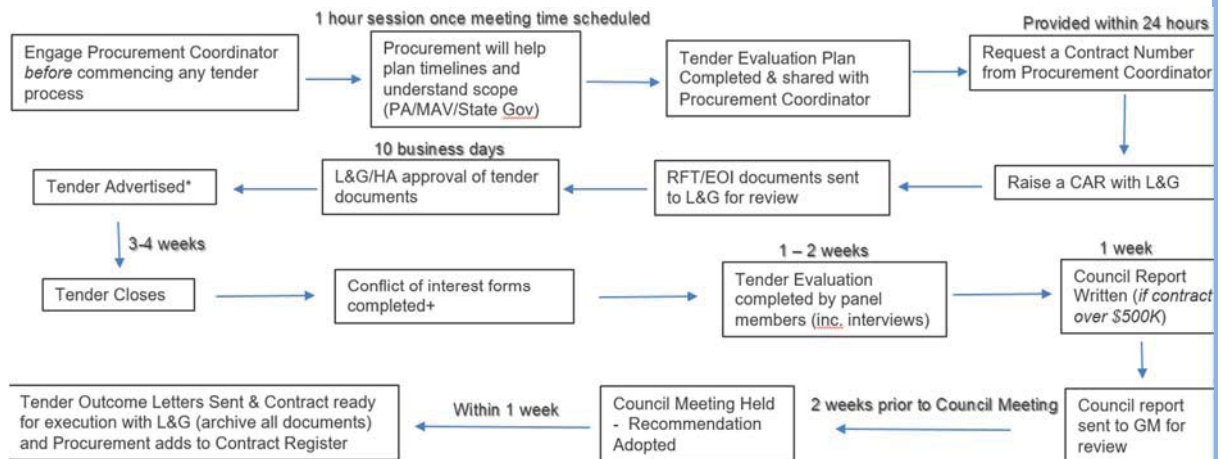
Once these documents have been finalised and approved by the Manager Legal and Governance, the Procurement Team can issue the Tender.

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

Step 6: The Tender

The Tender process should be commenced by engaging with the Procurement Coordinator in the first instance and then raising a CAR through ECM initiated by the council officer (the applicant).

The flowchart below outlines the process:



Cut off for The Age advert on Saturday is 12 noon Thursday
Cut off for e-procure advertising is 12 noon Friday
Approval email from Harwood Andrews (HA) must be supplied before the tender can be advertised
panel may have to be rearranged pending outcome of Col form

Council Officers must follow the Tender Process and Contracts Guide in relation to the preparation the Tender, evaluation of responses and finalisation of the contract (including negotiations and request for a best and final offer).

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 CEO has not approved this purchase, then this must be referred to Council to decide.

Contracts should be considered in the part of the meeting that is open to the public unless it contains 'confidential information' as defined in the Local Government Act 2020. There is a specific contract template in InfoCouncil for contracts.

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 and the Procurement Coordinator for reference.

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.

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.