

# **Procurement Policy 2026-2030**

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# Document Compliance

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Council acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*. The *Charter of Human Rights and Responsibilities Act 2006* is designed to protect the fundamental rights and freedoms of citizens. The Charter gives legal protection to 20 fundamental human rights under four key values that include freedom, respect, equality, and dignity.

Greater Dandenong City Council Policies comply with the Victorian Charter of Human Rights and Responsibilities, the *Gender Equality Act 2020*, the *Climate Change Act 2017*, the Child Safe Standards contained in the *Child Wellbeing and Safety Act 2005*, (Amended) the *Privacy and Data Protection Act 2014* and the Overarching Governance Principles specified in 9(2) of the *Local Government Act 2020*.

# Acknowledgment of Country

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Greater Dandenong City Council acknowledges the Traditional Custodians of this land, the Bunurong People and pays respect to their Elders past and present. We recognise and respect their continuing connections to climate, Culture, Country, and waters.

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## 1. PURPOSE

This Procurement Policy outlines the framework for the City of Greater Dandenong (Council) to:

- Provide a procurement framework for the Council to achieve value for money in the procurement of goods, services and works and upholds the principles of transparency, probity, and accountability.
- Guide procurement activities in a manner that promotes open and fair competition.
- Prioritise the achievement of Council's strategic objectives as stated in the Council Plan and policies with focus on social, local, and sustainable development
- Prioritise the Council's economic development, sustainability, and social goal
- Ensure procurement is ethical, transparent, and accountable to the community
- Specify the thresholds and criteria for public tender or expression of interest purchases.
- Use resource efficiently and effectively for the benefit of the community.

To achieve these objectives, procurement and contract management must:

- Support the Council's strategies and goals.
- Take a long-term, strategic view of procurement needs, with regular reviews.
- Consider the full lifecycle of acquisitions, from concept to disposal.
- Identify, assess, and manage risks at every stage.
- Be conducted impartially, fairly, and ethically.
- Pursue continual improvement through innovation and technology.
- Support local businesses when possible.

The Policy sets the strategic direction for procurement governance, to be followed alongside the Procurement Manual, which details mandatory processes and procedures. This Policy guides procurement activities throughout the pre-planning, sourcing, contract management, and close-out phases, excluding accounts payable processes.

## 2. BACKGROUND

Council is required under sections 108 and 109 of the Local Government Act 2020 (The Act) to prepare, adopt and comply with its procurement policy for purchasing goods, services and works that must include:

- Thresholds for competitive tender.
- Criteria for evaluating value for money.
- Approach to collaborating with councils and public bodies.
- Conditions for purchasing without a public tender or Expression of Interest (EOI).
- Process for inviting a public tender or EOI.
- Policy reviews to be conducted every 4-year term of the Council (or earlier if required).

A strategic Procurement Framework has been developed collaboratively by the Municipal Association of Victoria (MAV) in partnership with a working group of procurement professionals across the Victorian Local Government Procurement Sector. This policy has clear, precise, and relevant policy, customised from the best practice template from the

Municipal Association of Victoria (MAV). It also builds upon previous policies developed by both the Northern and Southern Regions group of Councils with the aim of supporting effective and consistent collaborative procurement practices aligned with legislative requirements.

While based on a shared template, this policy has been tailored to reflect the specific needs and context of Greater Dandenong and may differ slightly from policies adopted by other Council's. It applies solely to procurement activities undertaken by Greater Dandenong and that align with our Procurement Framework.

### **3. SCOPE**

This policy applies to all procurement activities undertaken by Council and is binding upon all Council Officers, Councillors, Contractors, Consultants and or third parties acting on behalf of Council to comply with the principles and framework set out in this policy.

The Policy covers the entire procurement process, from identifying a need to the delivery and completion of the contract, including management and closure. The Policy is enabled through the Procurement Management function but does not extend to related accounts payable processes.

The Council must comply with this Policy before purchasing and/or entering contracts for goods, services or works. The procurement function is centrally led for strategic, leadership, compliance, and policy purposes, while purchasing and contract management are decentralised. This Policy applies to all Council purchases, regardless of funding source.

Key terms used throughout this policy are defined in the Definitions section within this policy.

#### **Training**

All staff involved in procurement must complete mandatory Procurement training before undertaking any procurement activity on behalf of Council. Staff must have read and acknowledged the Council's Staff Code of Conduct.

## 4. DEFINITIONS

Term	Definition
<b>Aggregate Purchasing</b>	Is the strategic consolidation of procurement activities for identical or similar goods, services, or works across multiple departments, projects, or entities. This approach is intended to optimise Value for Money by leveraging combined purchasing power, improving contract outcomes, and reducing duplication of effort.
<b>Authorised Agent</b>	A person or organisation formally empowered to act on behalf of the Council in relation to procurement activities
<b>Best Practice</b>	As defined in the Local Government Best Practice Procurement Guidelines or any other document specified by Council.
<b>Collaborative Procurement –</b> <i>also known as</i> <b>Approved Purchasing Scheme</b>	<p>Refers to a pre-established arrangement with an internal or external panel of contractors or contractors, formed through a select tender or public tender process in accordance with the <i>Local Government Act 2020 (Vic)</i>, associated regulations, and relevant procurement thresholds.</p> <p>These arrangements may be established by:</p> <ul style="list-style-type: none"> <li>• Individual Councils.</li> <li>• A group of Councils or public bodies working collaboratively; or</li> <li>• Recognised external agents such as Procurement Australia, Municipal Association of Victoria, or State Government Agencies.</li> </ul> <p>Collaborative procurement Councils to procure goods, services, or works without undertaking a full tender process, provided the engagement complies with the scheme’s terms and conditions.</p>
<b>Commercial in Confidence</b>	Information that, if released, may prejudice the business dealings or commercial interests of the Council or another party (e.g., prices, discounts, rebates, profits, methodologies, and process information etc.)
<b>Conflict of Interest</b>	Any general or material conflict as defined in sections 127–128 of the Act, where personal, professional, or financial interests may, or may appear to, influence impartial decision-making.
<b>Contract Management</b>	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, to deliver the contract objectives and provide Value for Money.

Term	Definition
<b>Contract Variation</b>	A Contract Variation refers to any modification made to the original terms and conditions of an executed contract. Variations may be financial or non-financial in nature and must be managed transparently, appropriately documented and assessed to ensure they do not undermine the principles of value for money, probity, equity, or open and fair competition.
<b>Contract Variation - Financial</b>	A variation that alters the contract's monetary value. This includes: <ul style="list-style-type: none"> <li>• Increases or decreases in contract costs,</li> <li>• Whether within or exceeding approved contingencies,</li> <li>• Subject to approval in line with the Council's financial delegation limits and governance requirements</li> </ul>
<b>Contract Variation - Non-Financial</b>	A variation that does not result in a financial adjustment but alters other contractual parameters, such as: <ul style="list-style-type: none"> <li>• Project timelines or milestones,</li> <li>• Scope, specifications or design details,</li> <li>• Working hours or access arrangements,</li> <li>• Location or quantity changes or</li> <li>• Any other aspect of the contract provided it doesn't impact cost</li> </ul>
<b>Council</b>	Means Greater Dandenong Council
<b>Council Officer</b>	Any Council employee, contractor or consultant authorised to act on behalf of the Council, including Councillors in their official capacity.
<b>Emergency</b>	A sudden or unexpected event requiring immediate action including the occurrence of a natural disaster, flooding, or fire event at a Council property; the unforeseen cessation of trading of a core service provider; any other situation which is liable to constitute a risk to life or property.
<b>Information and Data</b>	Personal information - means information or an opinion (including information or an opinion forming part of a database), that is recorded in any form and whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion including, but not limited to: <ul style="list-style-type: none"> <li>• name;</li> <li>• date of birth</li> </ul>

Term	Definition
	<ul style="list-style-type: none"> <li>• blood type, DNA code, fingerprints;</li> <li>• home/work address, contact number/s and email address;</li> <li>• credit card details;</li> <li>• drivers licence;</li> <li>• photographs and video footage</li> </ul>
<b>Local Business (Services &amp; Goods)</b>	<p>Defined as a commercial business that meets at least one of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Maintains an operational premises that is physically located within the municipal boundaries of Council; or</li> <li>2. Delivers, sources, or undertakes the majority of their goods, services or works within the Council area; or</li> <li>3. is located within our municipality (and where applicable surrounding councils) whereas the geographic proximity clearly contributes to our local economy and culture</li> </ol>
<b>Material breach</b>	<p>Any breach of this policy that may also represent a breach of legislation such as procurement thresholds, fraud or corruption, and occupational health and safety.</p>
<b>Panel Contract</b>	<p>A panel contract (or standing offer arrangement) is a procurement method where a council selects multiple contractors through a tender process for works, goods, and services on a regular basis over a specified time. They allow Council staff to purchase from these panel contractors without a public procurement process for each individual purchase.</p> <p>Refer to the Rules of Use/ Buyers Guide for each panel contract or Council's Procurement Manual, whichever is relevant.</p> <p>Panel contracts cannot be used to purchase works, goods or services that fall outside the scope of the original arrangement. Any other service outside of the original scope would need to be procured via a different procurement process.</p>
<b>Probity</b>	<p>Probity is the evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness, and honesty in a particular process.</p> <p>Probity is a defensible process which can withstand internal and external scrutiny, which achieves both accountability and transparency, providing respondents with fair and equitable treatment.</p>
<b>Procurement</b>	<p>Refers to the end-to-end process of acquiring external goods, services, and works. It encompasses the entire lifecycle, from initial planning and concept development through to contract</p>

Term	Definition
	completion, asset disposal, or the conclusion of a service. Procurement also includes the organisational structures, governance, and compliance frameworks that support and guide procurement activities within the council operations.
<b>Procurement Manual</b>	Supporting documents to the Procurement Policy. It provides detailed procedures, guidance, tools, and templates to assist staff in implementing the Policy. It outlines the "how to" for undertaking procurement activities in a compliant, efficient, and consistent manner across the organisation.
<b>Procurement Steering Committee</b>	<p>A body established to provide leadership support and strategic guidance to Procurement and to govern certain tender projects. The objectives, composition, role, and authorities of the Procurement Steering Committee shall be set out in Procurement Steering Committee Terms of Reference.</p> <p><b>Governance Transition – Tender Board to Procurement Steering Committee</b> - The Tender Board, previously responsible for reviewing and endorsing procurement activities within the relevant delegation range, is being progressively replaced by the <b>Procurement Steering Committee (PSC)</b>.</p> <p>The PSC will assume the governance and oversight functions for procurement activities within the <b>\$500,000 to \$1,000,000</b> range, in alignment with updated procurement practices and organisational governance.</p> <p>During the transition period, the Tender Board will continue to operate to ensure continuity of oversight and compliance. Once the PSC is fully established, it will formally take over these responsibilities.</p>
<b>Purchase Order</b>	A form of contract, which is an official document used to authorise and record the purchase of goods or services or works by a buyer. It is the prime reference confirming the contractual situation between the buyer and contractor. A purchase order may be used in conjunction with an agreement for the supply of goods, services or works, or to instigate supply against an agreement.
<b>the Act</b>	<i>Local Government Act 2020</i>
<b>Total Contract Sum (excluding GST) for financial calculations</b>	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> <li>• costs for the full term of the contract, including any options for either party to extend the contract</li> <li>• applicable goods and services tax (GST)</li> <li>• anticipated contingency allowances or variations</li> <li>• all other known, anticipated and reasonably foreseeable costs.</li> </ul>

Term	Definition
	<ul style="list-style-type: none"> <li>• Thresholds and contract delegations will now match to be excluding GST for consistency and understanding</li> </ul>
<b>Value for Money</b>	<p>Value for Money in procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <p>Non-cost factors such as contribution to the advancement of Council's priorities, fitness for purpose, quality, service, and support; and cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining, and disposing of the goods, services or works or works. Value for money guidelines are to be referenced.</p>

## 5. GUIDING PRINCIPLES

### 5.1 Treatment of Goods and Services Tax (GST)

All monetary values stated in this policy exclude GST unless specifically stated otherwise.

When obtaining quotations and/or tenders the GST component must be clearly identified as a separate amount from the quoted/tendered price. Contractors may still submit total prices but will need to show a component of the GST breakdown to match our procurement thresholds and financial delegations.

### 5.2 Procurement during the Caretaker period

In accordance with section 69 of The Act, Council must not make major procurement decisions during the caretaker period that could influence the outcome of an election or bind an incoming Council.

All procurement activities during the caretaker period must:

- Be assessed for political or commercial risk.
- Be clearly and appropriately documented; and
- Comply with all relevant probity principles and legislative requirements.

Further guidance will be provided by Council through caretaker period protocols and/or be referenced within Council's procurement manual or guidelines.

### 5.3 Information and Privacy Policy

For council to align its principles and requirements of the Office of the Victorian Information Commissioner (OVIC) guidelines, particularly the Victorian Protective Data Security Framework (VPDSF) and Victorian Protective Data Security Standards (VPDSS), Greater Dandenong implements the following policy, procedural, and procurement measures - those being:

- third-party oversight and data security across the lifecycle of arrangements such as contracts,
- Memorandum Of Understanding (MOUs), and
- information sharing agreements.

The above principles require the contractor and council to ethically comply within referenced acts, policies, and any mentioned procurement manual, guidelines standards and frameworks of Greater Dandenong.

## **5.4 Child Safety**

This Policy also considers the broader social impact of procurement decisions, including the promotion of child safety in line with Council's commitment to the following:

Council is committed to promoting child safety and ensuring compliance with the Victorian Child Safe Standards. As a Child Safe organisation, Council will formally review contractors who are undertaking work on behalf of Council and who may have direct or incidental contact with children.

Child safety and wellbeing considerations are embedded in all procurement activities. Where relevant, the Reportable Conduct Scheme, Child Safe Standards, and Working with Children Checks are incorporated into procurement planning, evaluation, and contract management. These requirements are also reflected in contract clauses and monitored throughout the contract lifecycle.

All schedules of tenders include a Child Safety questionnaire which must be answered by the contractor and made accountable by the Project Manager.

See Council's Procurement Manual for further detail.

## **5.5 Probity, Accountability and Transparency**

Council is committed to upholding the highest standards of probity, accountability, and transparency in all procurement activities, in line with The Act, and the Victorian Best Practice Procurement Guidelines.

All Councillors, Council officers and authorised agents involved in procurement activities must act ethically, impartially and in public interest. They are individually accountable for their decisions and the outcomes of procurement processes undertaken on behalf of Council.

All procurement activities must be conducted in a manner that:

- Complies with The Act, this Procurement Policy, associated procurement manual or guidelines, relevant legislation, applicable standards, and frameworks.
- Demonstrates integrity, fairness, and transparency.
- Is defensible under internal and external scrutiny.
- Manages conflicts of interest and maintains public trust.

- Prevents and mitigates risks such as fraud, corruption, or collusion.

Where procurement activities are carried out by authorised agents on Council's behalf (e.g. external parties, consultants, contractors), they must comply with the same legal, ethical, and procedural obligations as Council officers.

To support probity and accountability, Council will:

- Apply consistent and transparent processes that ensure fair and equitable treatment of all contractors.
- Ensure procurement criteria and conditions are not changed after public release unless formally approved in line with policy or procedure.
- Require all participants involved in procurement activities to act in good faith, declare and manage conflicts of interest, and adhere to relevant codes of conduct and ethical standards.
- Prohibit the acceptance of any gifts, benefits, or hospitality from current or prospective contractors in accordance with Council's Gifts, Benefit's, and Hospitality policy

All staff are required to complete conflict of interest, probity and confidentiality agreements prior to **ANY** procurement being undertaken unless otherwise directed by the Procurement team. Please see the Procurement Manual for further information.

## **5.6 Disclosure of information**

Commercial in Confidence information received by Council must not be disclosed and is to be stored in a secure location. Councillors and Council Staff must take all reasonable measures to maintain confidentiality of:

- Information submitted by contractors in tenders, quotations or during tender negotiations as per section 5.3 of this policy; and
- Information that is marked confidential, or reasonably understood to be confidential due to its nature; and
- Any details related to current or proposed contracts, particularly where disclosure could compromise Council's position or breach probity.

Confidentiality agreements as per section 5.5 of this policy are a mandatory requirement of all staff carrying out procurement at Greater Dandenong.

Discussion with potential contractors during tender evaluations should not go beyond the extent necessary to resolve doubts on what is being offered by that contractor.

All contractors must be treated equal regarding information and policy requirements.

At no stage should any discussion be entered into which could improperly influence the procurement process or negotiation of a contract prior to the contract approval process being finalised, other than authorised pre- contract negotiations. This can result in non-conformance and a breach of policy with conduct reviews.

## 5.7 Strategic Procurement

Council adopts a strategic approach to procurement to maximise value and efficiency. Each procurement activity will be planned with consideration of:

- opportunities for aggregated purchasing across Council or with other entities through approved purchasing schemes.
- Collaborative or joint procurement arrangements.
- utilisation of existing internal and external contractor panels or contracts; and
- alternative contracting models that best support the delivery of outcomes.
- Guidance materials and procurement planning templates are available to support council officers in applying these principles effectively throughout the procurement process.

Staff are required to forward plan with Procurement, focusing on a structured Procurement plan document. See Procurement manual for further details.

## 5.8 Value For Money and Quadruple Bottom Line (QBL)

Council is committed to achieving Value for Money in all procurement decisions. This means selecting the option that offers the best overall outcome - not just the lowest price, but based on a balanced assessment of cost, quality, risk, sustainability, and social impact over the entire lifecycle of the goods, services or works

Council's approach to Value for Money includes integration of Quadruple Bottom Line (QBL) principles which means ensuring that economic, environmental, social, and ethical considerations are embedded into procurement planning and decisions wherever practical and proportionate.

In applying the Value for Money principle, Council will:

**Consider Whole-of-Life Costs:** including mandatory planning, acquisition, operation, maintenance, and disposal.

**Optimise Quality and Performance:** ensuring goods, services, and works are fit for purpose, durable, and supported by service warranties where appropriate.

**Deliver Broader Community Benefits:** encouraging procurement outcomes that generate positive social, economic, and environmental impacts, including through support of local, social, Indigenous, and inclusive contractors.

**Champion Social and Ethical Procurement:** engaging contractors who demonstrate compliance with fair, ethical, and socially responsible labour practices, and who meet legislative and regulatory obligations, including workplace safety and modern slavery to employees. Prioritising local business and supporting Council's economic development.

**Minimise Environmental Impact:** selecting products and services that reduce resource consumption, emissions, waste, and environmental degradation.

**Support Innovation:** encouraging new solutions, technologies, or delivery models that improve outcomes or efficiencies.

**Promote Fair Competition and Efficiency:** ensuring open, transparent procurement processes that support innovation and reduce duplication.

**Enable Collaboration and Aggregation:** leveraging shared services, panel arrangements, and approved purchasing schemes where appropriate.

**Support long-term financial sustainability:** it is essential that Council ensures competitive tension through fair and open competition in all procurement activities

Please see the Procurement Manual for further information.

## 5.9 Quadruple Bottom Line (QBL)

In Australian local government procurement, the QBL is a foundational framework used to guide sustainable and responsible purchasing decisions. It expands on the traditional triple bottom line (economic, environmental, and social) by adding a fourth dimension: governance.

The following QBL principles are applied in local government procurement:

### 1. Economic

- Support local contractors (as defined in this policy's definition), small to medium enterprises (SMEs), and regional businesses.
- Create local jobs and stimulate economic development within the Council area and nominated surrounding regions.
- Consider long-term value and cost-effectiveness, not just upfront price.

### 2. Environmental

- Reduce waste, greenhouse gas emissions, and resource use.
- Prioritise recycled, energy-efficient, or sustainably made goods and services.
- Support the circular economy and climate resilience through environmentally responsible purchasing.

### 3. Social

- Promote diversity, equity, and inclusion across supply chains.
- Support Indigenous-owned businesses, disability enterprises, and certified social benefit contractors.
- Provide employment and training opportunities for disadvantaged or marginalised groups.

#### 4. Ethical Governance

- Work with contractors who follow ethical practices including fair labour, safe workplaces, and compliance with modern slavery laws.
- Maintain transparency, integrity, and compliance in all procurement activities.

#### 5. Modern Slavery

- Council is committed to preventing, detecting, and eliminating modern slavery in its operations and supply chains in accordance with the Modern Slavery Act 2018 (Cth).
- All procurement activities must assess modern slavery risk during planning and sourcing, particularly for high-risk categories such as construction, cleaning, and textiles.
- Suppliers are required to implement measures to identify and mitigate modern slavery risks, maintain transparent supply chains, and report any suspected incidents promptly.

#### Application in Practice

Greater Dandenong embeds QBL into procurement by:

- Requiring all procurement decisions to assess and plan QBL impacts.
- Use the Procurement Planning and Advanced Evaluations Module to refine the customised QBL needed for each procurement.
- Using tools like life cycle assessments and sustainability scorecards.
- Providing training and resources aligned with ISO 20400 Sustainable Procurement Guidelines.
- Adhering to all schedules in procurement contract suites and other procurement templates in our central contract management system.

For operational guidance on how to apply Value for Money and Quadruple Bottom Line principles, including evaluation weightings and engagement strategies, refer to Council's Procurement Manual.

#### 5.10 Risk Management

Procurement activities must be carefully planned and executed to protect Council from risks including but not limited to; personal injury, property damage, financial loss, reputational harm, legal exposure, and disruption to the delivery of goods, conflict of interest, probity, confidentiality services, or works.

To minimise procurement-related risks and uphold best practice, Council implements the following risk mitigation strategies:

**Procurement Planning:** allowing sufficient time for procurement preparation, market engagement, and internal approvals to reduce the risk of rushed or non-compliant processes

**Conflict of Interest and Probity:** ensuring all conflicts are declared and agreements signed for engaging, evaluating, and entering into agreements with a contractor.

**Standardised Contract Documentation:** using Council approved templates that include legally reviewed terms and conditions to ensure consistency and reduce contractual ambiguity.

**Securities:** requiring appropriate security deposits such as bank guarantees to protect against contractor non-performance or contract default

**Due diligence Checks:** undertaking financial and reference checks on new and existing contractors, with periodic reviews as needed to ensure ongoing capability and compliance.

**Subject Matter Expert input:** referring complex or technical specifications to qualified internal or external subject matter experts to ensure clarity, feasibility, and risk mitigation.

**Contract Execution before Commencement:** ensuring that all contracts are fully executed and documented before any goods are delivered, services commenced, or payments issued.

**Standards and Compliance:** incorporating relevant Australian Standards, legislative requirements, and industry best practices into specifications and contract terms.

**Ongoing Contract Management:** requiring contract managers to actively monitor contractor performance, deliverables, and compliance throughout the contract term, with issues documented and addressed promptly.

## 6. POLICY

### 6.1 Procurement structure, process, and procedure

Council maintains a procurement function responsible for:

- Maintaining the Procurement Policy and associated guidelines, frameworks processes and procedures.
- Maintaining appropriate purchasing, procurement, and contract management systems and tools.
- Providing procurement-related advice and support to the organisation as required.
- Building organisational procurement and contract management capability (including delivery of training and provision of guidance materials).
- Promoting awareness and monitoring of compliance with this Policy.
- Ensuring legislation is followed, reporting breaches and corrective actions in a timely manner.
- Collaborating with other councils and organisations to identify best practice in and achieving better value from procurement.

Council will maintain internal procurement control documents detailing the processes, procedures and systems related to procurement including maintaining details of tendered contracts.

## 6.2 Procurement methods

The standard methods for procurement activities are:

- Purchase Order (preferred method) with contract, statement of works or services references.
- Purchasing Card (controlled as per council's delegations and approved limits).
- Request for Quotation (RFQ) process, followed by a Contract and or Purchase Order.
- Request for Tender (RFT) process, followed by a Contract and or Purchase Order.
- Approved Purchasing Schemes or Panel Contracts (internal and external).

All procurement activities must:

- Be supported by identified and available funding.
- Recuring expenses or annual payment methods on purchasing cards (and policy) should not circumvent – align and add.
- Be authorised in accordance with Council's approved financial delegations and thresholds.
- Involve more than one person with appropriate documentation and approvals to ensure transparency and accountability.

All Requests for Tender (RFT), Expressions of Interest (EOI) and Requests for Quotes (RFQ's) must be published on Council's online tendering portal (Vendor Panel) (see thresholds). RFT's and EOI's may also be advertised through additional channels such as state or local newspapers, industry publications, and web-based forums depending on the scale and audience of the procurement. These are not mandatory but advised as per each individual procurement.

In accordance with the Local Government Act 2020, Council must publish details of awarded tenders that meet or exceed prescribed thresholds on its public website to ensure legislative compliance, transparency, and community awareness.

## 6.3 Expressions of interest (EOI)

Expressions of Interest may be used where:

- Multiple contractors are likely.
- Full tendering is burdensome, or procurement is complex.
- Vendor interest or capability is uncertain.
- Council seeks preliminary advice from the market.

## **6.4 Alternative approaches following an unsuccessful tender**

If a public tender process concludes with no submissions received, Council may consider alternative procurement approaches, including:

- Reissuing the tender in its original form.
- Revising the scope or requirements and reissuing the tender.
- Inviting a limited number of suitable contractors to submit proposals (Select Sourcing).
- Entering direct negotiations with a contractor (Sole Sourcing).

Any alternative procurement approach must be:

- Supported by documented market analysis and a clear rationale for the selected approach
- Demonstrated to achieve Value for Money, fairness, and probity, in line with The Act, this Policy, and best practice procurement principles

Where public tendered procurement is not pursued, only Council endorsed panels or approved purchasing schemes established through a compliant public tender process may be used as an alternative procurement method.

## **6.5 Collaborative procurement**

In accordance with Section 108 (c) of the Act, Council will actively seek opportunities to collaborate with other councils and public bodies in the procurement of goods, services or works, where such collaboration can deliver economies of scale, improved value for money, or other strategic benefits.

Council officers must give due consideration to collaborative procurement opportunities as part of the planning phase for all procurement activities.

Where a procurement recommendation is brought before the Council, the accompanying report must include:

- An outline of any potential collaborative procurement opportunities identified, including the public bodies or councils involved; and
- A statement explaining why Council did, or did not, pursue the identified opportunities for collaboration in relation to that procurement process.

Collaborative procurement includes: a pre-established arrangement with an internal or external panel of contractors or contractors, formed through a select tender or public tender process in accordance with the Local Government Act 2020.

## **6.6 Tender evaluation**

Council is committed to ensuring a fair, consistent, and transparent approach to the evaluation of tenders. To uphold these principles:

- Late tenders will not be accepted under any circumstances to ensure procedural fairness and integrity unless stated in the procurement planning stage.
- Tender evaluation criteria and weightings will be documented and approved prior to issuing any tender to ensure transparency and consistency in assessment.
- An Evaluation Panel comprising appropriately qualified and briefed members will be established for each tender process. The panel will assess submissions objectively against the pre-determined criteria.
- Where beneficial, external representatives with relevant expertise may be included on the Evaluation Panel or engaged as advisors to enhance capability and ensure appropriate oversight.
- All panel members must complete a Conflict-of-Interest declaration before commencing any evaluation activities. Identified conflicts must be managed in accordance with Council's policies and procedures.
- The evaluation process will be conducted in a manner that is robust, unbiased, and able to withstand internal and external scrutiny.
- A Probity Advisor should be engaged, and a Probity Plan developed for complex, high-value, or high-risk procurements, particularly those exceeding \$1,000,000 million (\$AU), excluding GST. This will be agreed by the Tender Evaluation Panel (TEP).
- All evaluations will be guided by our Value for Money criteria including sustainable and ethical procurement considerations, including but not limited to environmental sustainability, social impact, indigenous engagement, child safety as per our relevant policy and practice to each subject.

## **6.7 Contract negotiations and Best And Final Offer (BAFO) process**

To ensure the best value outcome for Council, contract negotiations may be conducted with one or more shortlisted tenderers, provided such negotiations remain consistent with the original scope, intent, and probity principles of the tender process.

Council may also implement a shortlisting process as part of the evaluation. Where appropriate, shortlisted tenderers may be invited to submit a Best and Final Offer (BAFO) to allow Council to clarify, refine, or enhance proposals prior to final contract award. Any negotiation or BAFO process will be conducted in a fair, transparent, and equitable manner, in line with The Act, relevant procurement best practice guidelines and Council's procurement manual.

## 6.8 Exemptions and sole sourcing

Council recognises that in defined and limited circumstances, procurement activities may be exempt from the standard requirements to seek tenders, quotations, or expressions of interest.

Sole sourcing is the engagement of a single contractor without seeking competitive offers and is considered a procurement exemption under this policy. It is permitted only in exceptional circumstances where:

- The market is restricted (e.g. licensing software, intellectual property rights, regulatory exclusivity).
- Procurement related to art, culture, heritage, and creative practice fundamentally differs from commercial procurement. A risk based approach following delegations still applies.
- Council has jointly developed or co-owns the relevant intellectual property.
- There is an urgent public interest or emergency requiring immediate procurement.
- A thorough market analysis and value for money assessment have demonstrated no viable alternatives exist or that a prior public tender process was unsuccessful and Council proceeds to an alternative sourcing approach in accordance with Section 6.4

A number of defined procurement exemption justifications have been identified and are detailed Appendix 5 of this policy. All exemptions must be:

- Endorsed in accordance with the published Financial Delegations.
- Justified and documented using the approved exemption form or process for monitoring, reporting, and auditing purposes.
- An approved Value for Money assessment has been submitted by the business unit and approved by the Procurement Manager and endorsed by the Manager, Director, and Chief Executive Officer.
- A Manager, Executive Director and Chief Executive Officer can reject any exemption based on the above. All exemptions are to be approved by the council management and directors. Our approved exemption forms will follow delegated approvals.
- Procurement exemptions rejected or not yet approved that proceed without permissions are in breach of this policy and can have severe consequences under our code of conduct. The procurement would also be paused, removed, and reviewed if the process was not followed and adhered to.

## 6.9 Select sourcing and panel arrangements

Council may, in specific circumstances, engage a limited number of contractors without conducting a full public tendering process. This select sourcing approach is permitted under this Policy where it is appropriate to the procurement's value, risk, and complexity, and where one or more of the following conditions apply:

- Contractors are pre-qualified under a panel contract, approved purchasing scheme or collaborative contract (e.g. MAV, Procurement Australia, State Purchase Contracts).

- The market is limited in capacity, expertise, or geographical reach (e.g. niche categories or regional delivery constraints).
- An existing agreement provides clear rationale for continued engagement within defined parameters.
- Defined parameters include software and or hardware for councils that allows Council to renew software licenses and maintenance and support, or upgrade existing systems, (where a public tender, request for quote was completed for the original engagement) and there is only one incumbent contractor of the current software, who holds the intellectual property rights to the software.
- Exemptions must come with fit for purpose and robust governance, including:
  - The procurement risk, value, and complexity are proportionate to a streamlined sourcing approach, supported by a documented rationale.
- A previous public tender process was unsuccessful, and Council proceeds to a limited sourcing approach in accordance with section 6.4 and section 6.8.

Where Council has established an internal panel or is accessing a collaborative panel contract or approved purchasing scheme, the following provisions apply:

- Council may approve alternate procurement thresholds and sourcing methodologies specific to the panel.
- These must be documented at the time of panel formation (e.g. Panel Award Report or relevant process per Procurement Manual), approval is sought by the appropriate Financial Delegate, and sourcing methodologies for the panel are documented.
- Endorsement follows council's thresholds and delegation being Manager, Executive Director, Chief Executive Officer and Council approval as per governance requirements.
- Once endorsed, these thresholds override the standard thresholds set out in Appendix 1 for all procurement conducted under the panel.
- All procurement activities must align with the panel's scope, terms of use, use approved templates and processes in accordance with Council's Procurement Manual
- These are to be reviewed with appropriate conflict of interest guidelines, probity, and all value for money market methodology.

A procurement exemption may be required only where the procurement exceeds the panel's approved scope or deviates from usage rules. This is to be determined by either the Procurement Manager, Chief Financial Officer and or Chief Executive Officer.

Assessments of Exemptions along with Value for Money assessments apply if the panel deviated from approved rules.

## **7. RELEVANT LEGISLATION POLICY AND OTHER DOCUMENTS**

Council's procurement activities shall be undertaken to a high professional standard and in full compliance with the *Local Government Act 2020 (Vic)*, associated regulations, and all applicable internal and external policies, procedures, and codes of conduct.

Procurement integrity and ethical standards are required to be followed, and any breach of relevant legislation and other documents can have serious consequences that align with our code of conducts at Greater Dandenong. If you are unsure of these please contact the Procurement Team, Chief Financial Officer and or the Chief Executive Officer for clarification.

All Council procurement must also be consistent with Council's broader policy framework and strategic plans. This policy has clear links to a range of legislation, standards, and strategic documents including:

#### Legislation and Guidelines

*Local Government Act 2020*

*Local Government (Planning and Reporting) Regulations 2020*

*Local Government (Governance and Integrity) Regulations 2020*

*Local Government Best Practice Procurement Guidelines 2024*

*Competition and Consumer Act 2010 (Cth)*

*Charter of Human Rights and Responsibilities Act 2006 (Vic)*

*Gender Equality Act 2020*

*Modern Slavery Act 2018 (Cth)*

*National Competition Policy*

*Occupational Health and Safety Act 2004*

*Working with Children Act 2005 and 2020*

*Freedom of Information Act 1982*

*Privacy and Data Protection Act 2014*

*Public Records Act 1973*

*Building & Construction Industry Security of Payment Act 2002*

*Other relevant Australian Standards or legislation.*

#### Internal Policies and Frameworks

*Council Plan, Annual Budget, and Long-Term Financial Plan*

*Fraud and Corruption Policy*

*Conflict of Interest Policy*

*Local, Social, Sustainable and Procurement Framework (LSS) (QBL)*

*Procurement Framework*

*Procurement Manual*

*Privacy and Personal Information Policy*

*Risk Management Plan*

*Risk Management Framework*

*Corporate Purchasing Card Policy*

## 8. REPORTING, MONITORING AND REVIEW

Council is committed to transparency, accountability, and continuous improvement in all procurement activities.

The Procurement Team is responsible for monitoring procurement performance and compliance with this policy. This includes oversight of:

- Procurement activities and trends.
- Contractor due diligence and reporting.
- Use of Procurement exemptions
- Alignment with procurement thresholds and financial delegations.
- Value for Money assessments (including exemption requests)
- Procurement Steering Committee Terms of Reference.
- Documentation and record keeping practices.

### Ongoing Review and Reporting

Detailed reporting and monitoring provisions, including documentation standards and escalation protocols, are provided in the appendices to this Policy and further supported by the Procurement Manual.

These processes will be reviewed periodically to ensure they remain aligned with legislative obligations and sector best practice.

This Policy will be reviewed at least once every four (4) years in accordance with the Local Government Act 2020 (Vic), or earlier if required.

<b>Reporting</b>	The Procurement Manager, Chief Financial Officer, Procurement Steering Committee, Governance, Audit and Risk Committee and Council will be notified of any changes, reviews, and variations.
<b>Monitoring</b>	The policy will be maintained by the Procurement Team through the planning and execution process of all procurement. Any non-compliance will be monitored through our central contract management system and through the Procurement Steering Committee reports.
<b>Review</b>	This will be reviewed every 4 years (or earlier if required) as per governance requirements by the Procurement Manager, Chief Financial Officer, Procurement Steering Committee, Governance, Audit and Risk Committee and Council.
<b>Stakeholder Engagement</b>	Procurement Manager, Chief Financial Officer, Procurement Steering Committee, Governance, Audit and Risk Committee and Council.

## Administrative Updates

It is recognised that from time to time, circumstance may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Council department, the change to an existing policy or document referred to in this policy and minor updates to legislation and the like which does not have a material impact. All changes or updates which materially alter this policy must be by resolution of Council.

<b>Date</b>	<b>Update</b>

## 9. BREACH OF THIS POLICY

Council Officers must comply with this Policy. Non-compliance is a breach of the Local Government Act 2020 and may lead to disciplinary actions, including dismissal, or a breach of the Council Code of Conduct. It may also affect contract validity and result in criminal or civil penalties for fraud, corruption, bribery, or violations of Australian Consumer Laws.

### **Non-compliance Management:**

Any breaches of any policy, guidelines, manual, or framework can result in the following after investigation with the project manager, contractor or any other council staff member involved in the procurement process

The following applies:

- Minor or administrative non-compliance will be addressed by relevant council staff in leadership positions, with a focus on education and corrective action.
- Serious or repeated breaches, or matters involving probity, integrity, or public interest concerns, will be escalated to the relevant manager, director or executive and reported to Council where required.

## 10. APPENDICES

*The following appendices are designed as modular, plug and play tools that support the implementation of this policy specific to Greater Dandenong. They provide pre-populated examples and tables which Council may adapt to reflect their specific operational needs.*

*This has been tailored by Greater Dandenong based on:*

*Organisational structure and governance model*

*Procurement Principles*

*Procurement Maturity and Risk profile*

*Systems, tools, and resourcing*

*Strategic priorities and community priorities*

*Policy Guidelines*

*Policy References*

*Procurement Risk Management*

*Value for Money*

*Best Practice Templates*

*Procurement Framework*

*Procurement Manual*

## APPENDIX 1 - Procurement Thresholds

Value of purchase (Exc GST)	Minimum Procurement Requirement	Additional Guidance (Methodologies) All references exclude GST
\$0 - \$1,000	One (1) verbal quote or written quote (preferred), to be obtained	Use standard purchase order or purchase card. Council Officers are encouraged to prioritise local or pre-approved contractors where practical. <b>It is advised to use Vendor Panel</b> , but it is not mandatory. Retain quotation evidence and correspondence in Objective.
\$1,001 - \$15,000	Minimum of (1) written quotes as RFQ, RFT or joint EOI process - <b>Vendor Panel</b>	At least one quote should be obtained. This procurement will be completed through VendorPanel, or alternatively by using the standard purchase order or purchase card process if approved or exemptions apply.  Council Officers are encouraged to prioritise local suppliers or pre-approved contractors wherever practical. <b>This Procurement is to be entered into and completed using Vendor Panel.</b> Retain quotation evidence and correspondence in the Records Management System - <b>Objective</b>
\$15,001 - \$50,000	Minimum two (2) written quotes as RFQ, RFT or joint EOI process - <b>Vendor Panel</b>	At least two quotes should be sought (prioritised) from a local contractor where available. <b>This Procurement is to be entered into and completed using Vendor Panel.</b> Retain quotation evidence and correspondence in the Records Management System - <b>Objective</b>
\$50,001 - \$300,000	Minimum three (3) written quotes as RFQ, RFT or joint EOI process <b>Vendor Panel</b>	At least three quotes should be sought (prioritised) from a local contractor (prioritised) where available. <b>This Procurement is to be entered into and completed using Vendor Panel.</b> Retain quotation evidence and correspondence in the Records Management System - <b>Objective</b>
Over \$300,000	Public Tender required as an RFQ, RFT or joint EOI process <b>Vendor Panel</b>	A publicly advertised open tender process must be undertaken, unless procurement is conducted through an existing panel, collaborative arrangement, or exemption has been approved. <b>This Procurement is to be entered into and completed using Vendor Panel.</b> Retain quotation evidence and correspondence in the Records Management System - <b>Objective</b>

## General principles

Contractor thresholds created after procurement is awarded must be drawn upon when creating a purchase order. You must use a contract number, Vendor Panel Number or an agree Statement of Work Number as the reference on your purchase order for tracing, audit, and invoice reconciliation processes. No references may result in paused and reviewed procurement with your manager.

Thresholds refer to the total contract sum, including any extension options and recurrent spend with the same contractor.

Thresholds represent the minimum standards – Council officers may choose a more rigorous approach if it is in the best interests of Council

Procurement transactions must not be split to circumvent the above thresholds.

Cumulative spend for a 12-month period will be reported on and may change the threshold you will need to use at Procurement's discretion.

Where Council has established panels, alternate thresholds and methodologies may apply as approved at the time of panel formation.

Where it is difficult to obtain sufficient quotations (e.g. due to limited contractors or specialised work), an approved Procurement Exemption may be applied in accordance with 6.8 and 6.9.

If a local business (as per our definition) can't be obtained as per the thresholds, this needs to be documented. QBL Guidelines are applied at all thresholds on a customised basis as per the procurement requirement, risk assessment, planning, and contract management.

## **APPENDIX 2 - Purchase Order (PO) Requirement**

Council operates under a strict "No PO or Claim, No Payment" policy. A Council Purchase Order or correct claim must be created and provided to a contractor before commencement of any engagement for the supply of goods, services or works. Council will not be able to pay contractors if they do not have a Purchase Order. This policy ensures financial control, transparency, and compliance with procurement and budgetary requirements.

## **APPENDIX 3 - Exemptions from raising a Purchase Order**

While certain categories of expenditure — such as utilities and other payments — may be exempt from requiring a purchase order, the use of purchase orders is still strongly encouraged wherever practicable. Raising a purchase order helps streamline processing, ensures compliance with financial delegations, and provides a clear audit trail.

For all exempt items, staff are expected to consider whether a purchase order can be reasonably raised in advance. Purchase order raised after invoice date are reported to the Procurement Steering Committee and consider the below exempt expenditure types below.

- Australia Post
- Community Grants and Sponsorships
- Councillor and Mayoral allowances
- Couriers
- Day Care and Educator payments
- Fees paid to committee members
- Goods/service purchased on a corporate purchasing card
- Half cost fencing
- Insurance claims
- Investments / term deposits / borrowings
- Land Council Works (Bunurong Land Council)
- Medical accounts where applicable and approved
- Memberships and subscriptions
- Payments to statutory authorities, including legislatively required audits (e.g. VAGO, Ombudsman, Valuer General)
- Petty cash
- Planning applications as per approval process/
- Property and lease arrangements, bank fees and other transactional charges facilitated via pre-authorised direct deposits (including property purchases)
- Procurement related to art, culture, heritage, and creative practice
- Recruitment Salary Invoices and Employee Re-Imbursements
- Royalties
- Seminars, conferences, and travel arrangements
- Staff salaries or wages
- Sundry refunds and refunds of bonds and customer council rates (including community care clients)
- Taxation / superannuation / workcover / payroll deductions
- Utilities - water, telephone, mobile, gas, electricity, sewerage charges.

## APPENDIX 4 - Financial Delegations

### Tender Board to Procurement Steering Committee – Governance transition

The Tender Board, previously responsible for reviewing and endorsing procurement activities within the relevant delegation range, is being progressively replaced by the Procurement Steering Committee (PSC).

The PSC will assume the governance and oversight functions for procurement activities within the **\$500,000 to \$1,000,000 range (Exc GST)**, in alignment with updated procurement practices and organisational governance.

During the transition period, the Tender Board will continue to operate to ensure continuity of oversight and compliance. Once the PSC is fully established, it will formally take over these responsibilities.

This transition does not alter the CEO's delegation limit of \$1,000,000, as approved by Council. The PSC acts as a governance and advisory body within this delegation framework.

### Section A: Financial Delegation Limits

The financial delegation limits are current as published on The Source. Please check for The Source for latest information as delegation limits can change.

Schedule	Position title	Financial Delegation Limit (Excluding GST)
	Council	Unlimited
	Chief Executive Officer (check for updates)	\$1 million or less
<b>A</b>	Executive Director City Futures Chief Financial Officer (check for updates)	\$500,000 or less
<b>Other</b>	As per current titles on our Intranet (Check for updates)	\$250,000 or less

## Section B: Procurement Contract Variation Limits

These procurement-specific limits apply to contract variations and are separate from general financial delegation limits. They are designed to streamline approvals while maintaining oversight. All expenditure must remain within the approved budget.

Position Title	Contract Variation Limit	Conditions
<b>Council</b>	Unlimited	—
<b>Chief Executive Officer</b>	Up to 15% (maximum limit under delegation)	Must be within approved budget otherwise escalate
<b>Executive Director City Futures Chief Financial Officer</b>	Up to 10% (max \$100,000 cumulative)	Must be within approved budget otherwise escalate
<b>Schedule B officers</b>	Up to 10% (max \$75,000 Cumulative)	Must be within approved budget otherwise escalate

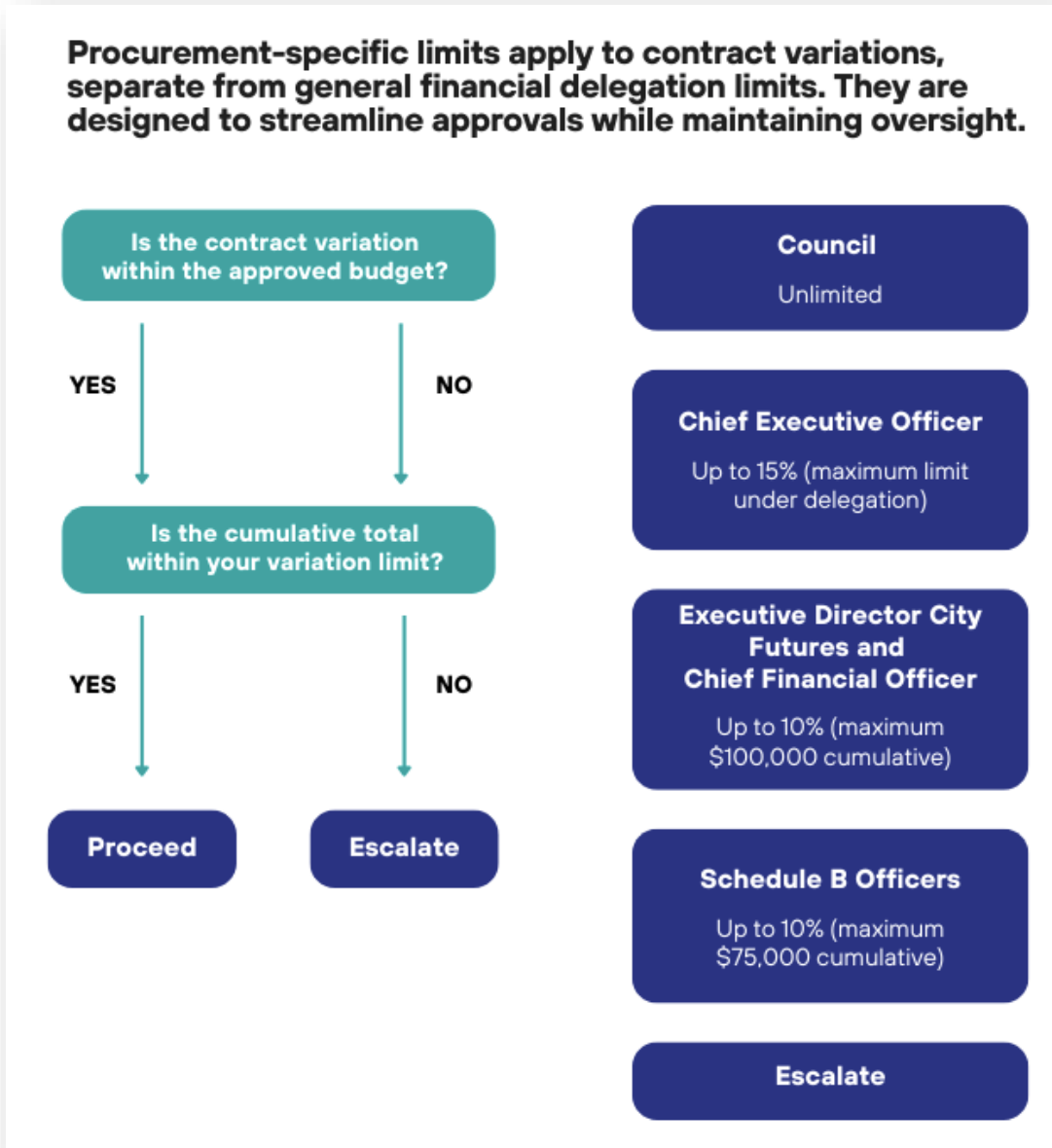
\* *Cumulative means the total value of all contract variations against a contract.*

\**Excluding GST*

Where cumulative variation thresholds are exceeded, escalation to the next level of authority is required. *“All contract variations must be within both the delegated variation limit **and** the approved budget. Where a variation causes the total expenditure to exceed the approved budget, the matter must be escalated for further approval, regardless of delegation limits – typically to Council.”*

## Section B: Procurement Contract Variation Limits - continued

Workflow diagram



## APPENDIX 5 - Procurement Exemption Justifications and Exemption Lists

Exemption Justification	Explanation
<p><b>Art: Culture, heritage, and creative practice</b></p>	<p>Procurement related to art, culture, heritage, and creative practice being: - When it is:</p> <ul style="list-style-type: none"> <li>• unique</li> <li>• non-substitutable</li> <li>• based on artistic merit, cultural significance, and community relevance</li> <li>• impossible to evaluate through commodity-style competition</li> <li>• Competitive tendering or VendorPanel cannot provide a like-for-like comparison for artistic or cultural engagements.</li> </ul> <p>Depending on the cost and threshold being used:  <u>Clear Criteria for When Exemptions Should Apply</u>                      The exemption should apply to procurement involving:</p> <ul style="list-style-type: none"> <li>• Artists and creative practitioners</li> <li>• Curators and creative producers</li> <li>• Performers, composers, public art specialists</li> <li>• Cultural and heritage researchers</li> <li>• Creative organisations, arts institutions, cultural advice</li> <li>• Commissioning or acquiring public art, exhibitions,</li> <li>• As well as performances and cultural programs</li> </ul>
<p><b>Day Care and Educator payments</b></p>	<p>Family Day Care and Educator Gap fee Payments.</p>

Exemption Justification	Explanation
<b>Genuine Emergency, Disaster or Hardship</b>	<p>Allows a contract to be entered into where the CEO, or an internally delegated officer, considers it necessary because of an emergency (e.g., to provide immediate response to a natural disaster, declared emergency, etc.).</p> <p>An emergency is defined as:</p> <ul style="list-style-type: none"> <li>• A state disaster declared under the Emergency Management Act 1986 or by the Premier.</li> <li>• A local/regional disaster declared by the CEO, activating Council’s Business Continuity or Emergency Management Plan.</li> <li>• Urgent circumstances posing a risk to public health and/or safety.</li> <li>• A Council or CEO resolution to enter a contract due to a declared emergency or disaster.</li> <li>• The failure of a key service provider (e.g., Waste Collection Service).</li> <li>• Significant damage to a municipal building.</li> <li>• Major business disruptions, such as a large IT failure affecting services to the community.</li> </ul>
<b>Extension of contracts while Council is at market to ensure continuation of supply of goods, services and works</b>	<p>Allows the extension of an existing contract where the procurement activity to replace the contract has commenced (or is imminent) and where the establishment of an interim short-term arrangement with an alternative contractor would lead to Council achieving lesser value for money or an adverse effect on public interest.</p>
<b>Market Analysis inconclusive</b>	<p>A thorough market analysis and value for money assessment has demonstrated no viable alternatives exist or that a prior public tender process was unsuccessful and Council proceeds to an alternative sourcing approach in accordance with section 6.4 and 6.8.</p>
<b>Professional Services unsuitable for tendering</b>	<p>Allows the procuring of the following engagements:</p> <ul style="list-style-type: none"> <li>• Issuance of insurances (excluding brokerage services)</li> <li>• Payments with statutory/legislative obligations e.g., Australian Taxation Officer, Emergency Services Volunteers Fund levy)</li> <li>• Work cover and injury management related expenditure</li> <li>• Non contestable elements and services and works from utility and service owners (e.g., water, electricity, gas, telecommunications, ISPs)</li> <li>• Legal services</li> </ul>

Exemption Justification	Explanation
	<ul style="list-style-type: none"> <li>Purchase of land</li> </ul>
<b>Novated Contract</b>	Where the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party
<b>Operating Leases</b>	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.
<b>Information technology resellers and software developers</b>	The expenditure related to purchases from information technology resellers and software developers (e.g., for renewal of software licenses/upgrades, etc.) where there is a sole contractor who holds the intellectual property rights to the software
<b>Sole Sourcing</b>	<p>The engagement of a single contractor without seeking competitive offers, permitted only in defined and exceptional circumstances such as where:</p> <p>(a) the market is restricted (e.g., IP ownership, licensing, regulation).</p> <p>(b) no viable alternatives exist following a failed tender.</p> <p>(c) a joint IP arrangement exists; or (d) direct negotiation has been deemed necessary based on a documented market analysis.</p> <p>Sole sourcing must be approved in line with Council's Financial Delegations, fully documented, and demonstrate alignment with value for money, probity, and public interest.</p>
<b>Other specific Council exemptions</b>	<p>Engagement of Traditional Owners where the primary purpose is to gather information relating to Aboriginal culturally sensitive issues, including land management considerations pursuant to the Aboriginal Heritage Act 2006.</p> <p>Regional Waste and Recovery Group.</p> <p>Additional delivery of goods, services and works that are intended either as replacement parts, extensions, or continuing services for existing equipment.</p>

Regular forward planning, market analysis, and market testing is required to leverage council's position and to best determine any future exemptions. Exemptions need to be tested and assessed with a Value for Money Assessment and approved by Procurement, your Manager, Director and then Chief Executive Officer and or councillors (where applicable) before any procurement is undertaken – failure to adhere to the above will result in a breach of policy with possible conduct reviews as well as pausing and or removal of the procurement in order for it to go through our procurement procedures mentioned in Section 5.6 of this Policy.

Emergency events and post-emergency procurement activities should meet all requirements of the Disaster Recovery Funding Arrangements. In addition, the Value for Money principals will still be applicable.

Where Council expenditure is funded from State or Federal Government grant monies the requirement to comply with Division 2 Section 108 of the Act remains unless there are grant conditions which provide alternative arrangements.

Should the nature of the requirement and the characteristics of the market be such that it is considered a public tender process is not possible, an exemption as outlined in Section 108 3 (d) may be sought from Council.

If a state of emergency/disaster/pandemic event is in place within Victoria, this exemption can be approved by the Chief Executive Officer.

#### Regarding Art: Culture, heritage, and creative practice:

In all cases, exemptions apply when:

- The service or outcome is unique or non-substitutable
- The work requires specific cultural or creative expertise
- The procurement relates to cultural knowledge, creative identity, or artistic authorship including:

Mandatory Controls Procurement maintains visibility and probity and can investigate further if needed to ensure ethical and fair practices are being kept

Some reporting mechanism on these exemptions from P.O's

- When reports are provided in forward planning a notation for our commentary to the ARC and Council Reports
- Why their work meets the project's cultural or creative objectives
- Any trends on using the same suppliers (cumulative spend)

The Directorate must consider:

1. Cultural significance
2. Artistic merit
3. Community benefit
4. Delivery capacity & Supporting documentation
5. Cultural authority or specialist expertise

Conflict of Interest Declaration and Probity

- As per Council's Code of Conduct these continue as a manual process if not centralised for buyers. They will be recorded and presented in reporting

Approval within Delegations

- Must still travel through the correct authority pathway
- CEO delegation for high value creative exemptions remains unchanged

Audit Ready Recordkeeping

- Briefs – Emails and Objective
- Approvals – Normal Threshold approvals apply and rationale when needed

## APPENDIX 6 - Procurement Performance Indicators

Council will seek to improve its procurement performance by measuring, analysing, and reporting on procurement activity against the key performance indicators below (or other indicators as endorsed by the Executive Team). Performance will be monitored annually and used to inform procurement planning, capability development, and continuous improvement initiatives.

Category	Key Performance Indicators Examples
<p><b>Procurement Performance and Efficiency</b></p> <p>These indicators measure the overall effectiveness, efficiency, and compliance of the procurement function.</p>	<ul style="list-style-type: none"> <li>• Extent of contracts delivered on time and on budget.</li> <li>• Purchase Order Compliance – purchase order before invoice (%).</li> <li>• Procure to pay efficiency rates.</li> <li>• Percentage (%) of spend under contract.</li> <li>• Source-to-contract completion time.</li> <li>• Value of savings and benefits achieved through procurement activities.</li> <li>• Number of new collaborative procurement contracts established.</li> <li>• Level of compliance with the Procurement Policy.</li> </ul>
<p><b>Local Economic Development</b></p> <p>These indicators track the extent to which Council is supporting local businesses and the regional economy.</p>	<ul style="list-style-type: none"> <li>• Number of local contractors engaged through procurement processes.</li> <li>• Proportion of total procurement spend with local businesses (percentage %).</li> <li>• Increase in local contractor participation in tenders or quote requests.</li> <li>• Average payment timeframe for local contractors.</li> </ul>
<p><b>Social Procurement</b></p> <p>These indicators demonstrate Council's contribution to social value creation through procurement.</p>	<ul style="list-style-type: none"> <li>• Percentage (%) of contracts awarded to social enterprises, Aboriginal businesses, or Australian Disability Enterprises.</li> <li>• Number of employment opportunities, apprenticeships, or traineeships created via procurement contracts.</li> <li>• Number of contracts requiring delivery of measurable social outcomes.</li> <li>• Number of tenders that included social procurement criteria or weighting.</li> <li>• Contractor reporting on social value outcomes and impact.</li> </ul>
<p><b>Sustainable Procurement</b></p> <p>These indicators measure environmentally</p>	<ul style="list-style-type: none"> <li>• Annual spend on sustainable or environmentally preferred goods and services.</li> <li>• Percentage (%) of RFQs/RFTs that include circular economy or reuse/repair criteria.</li> <li>• Number of contracts that include take-back schemes or repair/refurbishment requirements.</li> <li>• Number of contractors certified to recognised environmental</li> </ul>

Category	Key Performance Indicators Examples
responsible procurement practices aligned with Council's sustainability goals.	<p>standards (e.g., ISO 14001, GECA, FSC).</p> <ul style="list-style-type: none"> <li>• Estimated reduction in waste, emissions, or resource use via procured goods/services.</li> <li>• Number of contracts promoting reuse, repair, recycling, or low-impact solutions.</li> <li>• Percentage (%) of contractors using electric or low-emissions vehicles in contract delivery.</li> <li>• QBL checklists in planning modules.</li> <li>• QBL surveys in contracts.</li> <li>• Project close-outs.</li> </ul>

## APPENDIX 7 - Quadruple Bottom Line (QBL) Checklist and definitions

Council aims to promote healthier partnerships and reduce reliance on harmful industries (alcohol, tobacco, gambling) by encouraging procurement from suppliers whose activities align with Council's health, wellbeing, and social responsibility commitments:

Aligned with community wellbeing objectives

✓ Non-prescriptive — avoid becoming a prohibited industry list

✓ Complies with Local Government Act (focus on community benefit, not moral policing)

### Quadruple Bottom Line (QBL) Procurement Checklist

#### 1. Economic Sustainability

- Evaluate whole-of-life costs (purchase, maintenance, disposal)
- Assess value for money beyond lowest price
- Support local businesses and SMEs
- Identify and mitigate financial risks
- Ensure supply chain resilience

#### 2. Environmental Sustainability

- Minimise emissions, waste, and resource use
- Promote energy and water efficiency
- Support circular economy practices (reuse, recycle)
- Use certified eco-labels and standards (e.g., ISO 20400)
- Consider biodiversity and ecological impact

#### 3. Social Sustainability

- Create community benefits (employment, inclusion)
- Ensure ethical sourcing and fair labour practices
- Avoid modern slavery and exploitative conditions
- Respect Indigenous and local cultural values
- Promote diversity and social cohesion

#### 4. Governance

- Maintain transparency and accountability in decisions
- Ensure compliance with relevant legislation
- Document procurement processes and decisions
- Demonstrate ethical leadership and integrity
- Align with public sector procurement policies

Training, Road Maps and Process Maps are linked to this policy but policy does not outline the previously stated items.