PROCUREMENT POLICY

Approval Level:	Council
Policy Type:	Council
Approval Date:	Proposed 17/11/25
Review cycle:	4 Years
Review Date:	TBC - Currently Under Review
Responsible Officer:	Manager Financial Strategy
Owner:	Financial Strategy
Responsible Director:	Corporate Performance
Relevant Legislation/Authority:	Local Government Act 2020
DOCSETID:	2004330

1. PURPOSE

The purpose of the Procurement Policy is to guide the City of Greater Bendigo (the City) procurement activities in a manner that promotes open and fair competition, ensures value for money, and upholds the principles of transparency, probity, and accountability. It supports ethical, efficient, and effective procurement practices that deliver value to the community and align with the City's strategic objectives.

These objectives include sustainable and socially responsible procurement, bottom-line cost savings, supporting the regional economy, achieving innovation and the provision of better services for the community.

The City purchases goods, services and works each year to support service delivery and the maintenance and development of infrastructure. The City is required under sections 108 and 109 of the *Local Government Act 2020* (The Act) to:

Prepare, adopt and comply with its procurement policy.

2. SCOPE

In accordance with the Act, this Procurement Policy (Policy) sets out the key principles applied to all purchases of goods, services and works by the City and applies to all City procurement activities and all Councillors, City's Officers and other persons undertaking procurement on the City's behalf.

All monetary values stated in this Policy exclude GST except where specifically stated otherwise.

3. DEFINITIONS

In this policy:

Act means the **Victorian Local Government Act 2020. (as amended)**

Aboriginal or Torres Strait Islander Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s). This is consistent with the definition provided by Supply Nation.

Aggregate Purchasing 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.

Best Practice is as defined in the Local Government Best Practice Procurement Guidelines, or any other document specified by Council.

Centre-Led procurement function is a hybrid model where the procurement team develops policies, strategies, and best practices, while units/departments handle specific procurement activities within that framework. This approach combines the strengths of both centralised control and decentralised execution, allowing departments to buy what they need while ensuring consistency, transparency, value for money, and compliance with governance standards.

Circular Economy is an approach to the delivery of projects and services that ensure no waste is created through their use of materials and products. The products and materials used in these projects and services are either recovered for reuse or have been designed to be fully recyclable when no longer required i.e. projects and services result in zero general waste, with only recyclables or organic waste being created.

City Officer means all full-time, part-time and temporary City employees and contractors and consultants while engaged by the City from time to time.

Collaborative Procurement is procurement activities that engage two or more Councils, government entities or statutory bodies.

Commercial in Confidence means information that, if released publicly or to a third party, may prejudice the business dealings of a party, including but not limited to prices, discounts, rebates, profits, methodologies and process information.

Conflict of Interest is 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.

Contract Management means the process of ensuring both parties to a contract meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.

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.

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Delegate a person authorised by the City or CEO to make general or specified decisions constrained only by the instrument of delegation. Specifically, delegates commit and incur expenditure. The delegate is responsible for actions arising from their use of such power

Delegation A power handed down by the City or Chief Executive Officer in an instrument to enable a delegate to act on the City's behalf.

Emergency A sudden or unexpected event requiring immediate action including the occurrence of a natural disaster, flooding or fire event at a City property; the unforeseen cessation of trading of a core service provider; or any situation which is liable to constitute a risk to life or property.

Electronic (e-Procurement) system is the system used by employees to interact with suppliers through bids, purchase orders and invoices.

Evaluation Criteria is the criteria used to evaluate the compliance and/or relative ranking of quotation or tender submissions. All evaluation criteria must be clearly stated in the documentation.

GST means GST within the meaning of *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Guidelines mean the Victorian Local Government Best Practice Procurement Guidelines 2024 If this policy is inconsistent with the Guidelines, this policy supersedes the Guidelines.

Local Content means suppliers based within the Greater Bendigo City municipality and its neighbouring municipalities of Loddon, Mount Alexander, Campaspe, Macedon Ranges and Central Goldfields. Local Content can be expanded to include Metropolitan Victoria, Regional Victoria or all of Australia where applicable.

Loddon Mallee Regional Procurement Excellence Network (RPEN) are the primary collaborative mechanism established by the Victorian Governments Councils Reforming Business (CRB) program in 2011. The Loddon Mallee RPEN consists of Buloke, Campaspe, Central Goldfields, Gannawarra, Greater Bendigo, Loddon, Macedon Ranges, Mount Alexander Shire, Mildura Rural City and Swan Hill.

Material Breach Any breach of this Policy that may also represent a breach of legislation such as fraud or corruption and occupational health and safety.

Principles The fundamental norms, rules or values that represent what is desirable and of value to a Council and its community. Principles are more basic than policy, process or procedures, and should govern all there.

Procedures are ways in which procurement tasks are accomplished. It can be a sequence of steps that include preparation, conduct and completion of a task. A procedure describes how a process is to be achieved.

Processes Activities that use resources to transform inputs into outputs. A process therefore describes what is to be done.

Probity means qualities demonstrating strong moral principles and good process, achieved through clear processes consistent with the City's policies and legislation, which consider the legitimate interests and ensure the equitable treatment of all suppliers.

Procurement means the process of acquiring external goods, services or works. It can include planning, design, standards determination, specification writing, preparation of RFx documentation, selection of suppliers, financing, contract administration, disposals, and

other related functions. It also includes the organisational and governance frameworks that underpin the procurement function.

Public Request for Tender is a public request for submissions against a set of clearly defined and specified requirements. Respondents are advised of all requirements involved, including the Request for Tender (RFT) conditions and proposed contract conditions

Purchase Order is a form of contract, which is an official document used to authorise and record the purchase of goods or services by a buyer. It is the prime reference confirming the contractual situation between the buyer and supplier.

Quotation means a formal statement of promise, submitted usually in response to a request for quotation, by a potential supplier to supply the goods, services or works required by a buyer at specified prices and within a specified period.

Respondent The party offering to enter into a legally binding contract with another party.

RFx A collective term for procurement processes. These processes may include RFQ (Request for Quote), RFT (Request for Tender), RFP (Request for Proposal), EOI (Expressions of Interest) and RFI (Request for Information) processes.

Social Procurement means a strategic approach to meeting social and economic objectives throughout procurement using procurement processes and purchasing power to generate positive social and economic outcomes in addition to the delivery of efficient goods, services and works.

Specification The statement which clearly and accurately describes the essential requirements for goods, services or works. It may include the procedures by which it will be determined that the requirements have been met and performance required under a contract.

Sustainability means meeting the needs of the present generation without compromising the ability of future generations to meet their needs, including social procurement, local content and environmental considerations.

Sustainable Procurement A process whereby organisations meet their need for goods, works and utilities in a way that achieves value for money on a whole of life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. Sustainable procurement includes environmental, social, local and Aboriginal and Torres Strait Islander business procurement.

Thresholds the value above which procurement, unless exempt, is subject to the mandatory procurement procedures.

Value for Money means selecting the supply of goods, services and works taking into account both cost and non-cost factors including:

(a) contribution to the advancement of the City's priorities.

(b) local content.

(c) non-cost factors such as fitness for purpose, quality, service and support; and

(d) 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,

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in conjunction with the best value principles contained in Part 2, Division 1, Section 9 – Overarching governance principles and supporting principles of the *Local Government Act 2020* and the Guidelines.

4. PRINCIPLES

The City's procurement processes are based on these principles and should be applied to every procurement, irrespective of value and complexity:

- Value for money
- Open and fair competition
- Accountability
- Risk management; and
- Probity and transparency
- Local economic outcomes

4.1 Value for Money

The Victorian Auditor General's Office defines value for money as "*the optimum combination of quality, quantity, risk, timeliness and cost on a whole of contract and whole of assets life basis."*

The Victorian Local Government Act outlines the fundamental best practice principles that should be applied to every procurement. Councils need to apply value for money-related principles to their procurement functions.

The City's overarching governance and supporting principles require, among other matters, that:

- Priority is given to achieving the **best outcomes** for the services provided by a Council.
- Support for the strategic direction of a Council, including environmental sustainability, local and social procurement, opportunities for Aboriginal and Torres Strait Islander businesses and circular economy.
- **Collaboration** with other Councils and governments and statutory bodies is to be sought.
- Ongoing **financial viability** needs to be ensured: and
- **Innovation and continuous improvement** should be pursued in the provision of services for its community.

4.2 Open and fair competition

All prospective suppliers must be treated (and seen to be treated) fairly in an open and transparent manner with the same access to information about the procurement to enable them to submit prices/quotations/tenders on the same basis. The City must adequately test the market in a consistent manner without any bias or perception of bias, so that potential suppliers and the public have confidence in the outcome.

4.3 Accountability

City officers are responsible for the actions and decisions they take in relation to procurement and for the resulting outcomes. Staff are answerable for such activities through established lines of accountability and delegation, and to the Chief Executive Officer (CEO). Staff must also ensure they provide adequate and reliable advice to the elected Council to allow them to make sound decisions on procurement matters. City officers have accountability to ratepayers and residents.

4.4 Risk Management

All procurement carries some level of risk. It is important for Councils to recognise this risk and to develop appropriate strategies to deal with it. Risks can range from the failure of a supplier to deliver a minor purchase order through to the breakdown or delay of a major project. Effective risk management requires containment strategies and contingency planning to mitigate and respond to risks that may emerge.

The City must also be aware of its statutory obligation to manage its financial risks by prudently having regard to economic circumstances. All risk management considerations and actions should be consistent with the City's risk management policy.

4.5 Probity and transparency

In all commercial dealings, the highest standards of honesty must be observed. The City must conduct their business in a fair, honest and open manner, demonstrating the highest levels of integrity consistent with the public interest.

4.6 Local economic outcomes

The City is committed to fostering positive supply relationships with Local Businesses.

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

- For all publicly advertised tenders, a mandatory evaluation criteria weighting of 20% will be applied.
- For all purchases under the tender threshold, City Officers must use their best endeavors to source goods, services or works locally and obtain quotes from local suppliers where possible.

5. POLICY

5.1 Procurement Structure, Processes and Systems

The City maintains a Centre-Led procurement function. The procurement team is responsible for:

(a) Maintaining this Policy and the procurement and contract management standard procedures.
(b) Maintaining appropriate purchasing, procurement and contract management systems and tools.
(c) Providing procurement-related advice and support to the Organisation as required.
(d) Building Organisational procurement and contract management capability.
(e) Delivery of training and provision of guidance materials for both Contract Management and relevant Systems.
(f) Promoting awareness of and monitoring compliance with this Policy and all relevant legislation and reporting breaches and corrective actions in a timely manner; and
(g) Collaborating with other Councils and organisations to identify the best practice in and achieve better value from procurement.

5.2 Procurement Thresholds

The City will, from time to time, determine and publish minimum spend competition thresholds. These will be decided by the City by analysing the historical size and complexity

of the procurement activity and of proposed procurement activities. The City considers aggregated spend based on a three-year contract.

5.3 Aggregated Expenditure

A public tendering process will occur if, over three financial years, the cumulative expenditure with a single supplier exceeds or is expected to exceed $300,000 (excl GST) (under review) on the purchase of goods and services or works.

When undertaking procurement activities on behalf of the City, Officers will exercise appropriate commercial awareness and ensure that the principles outlined in this Policy are applied. This Policy requires a competitive process be undertaken for procurement thresholds. Any attempts to circumvent procurement threshold requirements by order splitting or other methods constitutes a breach of the Procurement Policy and Procedures.

5.4 Public Tendering

Section 108 of the Act details that each Council will set the public tender threshold above which tenders or expressions of interest for contracts must be publicly invited.
A public tender process must be applied to all procurements valued at $300,000 (excl GST) (under review) and above. Tenders are facilitated by Procurement and require an Authority to Procure form to be completed.

All public tenders invited by the City will be published via City's e-Procurement Portal and website and may be advertised in selected newspapers circulating within the municipality e.g., the Bendigo Advertiser. These are the minimum requirements that will apply to all public tenders. Tender advertisements may also be published in a newspaper with a wider distribution e.g., The Age or Herald Sun.

The City may undertake a public tender where the value of goods, services or works does not reach the public tender threshold value. There may be situations where a public tender may produce a better outcome, where managing risk considerations are paramount, or there is a desire for greater transparency of the procurement.

The timeframe given to tenderers will be reasonable with regard to the level of complexity of the tender, however a minimum of 15 working days will be allowed between advertising of the tender until the tender closing date. Director approval will be obtained if it is proposed that a tender period be less than 15 working days, with sufficient information provided explaining why this is necessary.

Advertising at times of major holidays such as Easter, Christmas and early January will be avoided if possible. If it is necessary to advertise at these times, the closing date will be extended to accommodate these holiday periods. Tenders will be advertised on the City's e-Procurement portal.

All public tenders above $300,000 (excl GST) (under review) will be reported to Councillors in a monthly briefing report.

All tenders greater than $1.5M (excl GST) (under review) will be presented at a Council Meeting for decision, including details of the total project cost.

All tender processes must be conducted in accordance with the requirements of this policy and any associated procedures, relevant Legislation, relevant Australian Standards, the Guidelines and the Act.

5.1 Delegation of Procurement Authority

5.1.2 Procurement Requirements

Delegations and authorisations define the limitations within which the City employees are permitted to operate. Delegation or authorisation of procurement authority allows specified employees to approve certain purchases, quotations, tender and contractual processes. This enables the City to conduct procurement activities in an efficient and timely manner while maintaining transparency and integrity.

Procurement delegations and authorisations ensure accountability and provide confidence to the City and the public that purchasing activities are dealt with at the appropriate level.

Accordingly, the City has delegated or authorised responsibilities relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for contract management activities.

Delegation and authorisations can be altered at the CEO's discretion.

5.1.3 Purchasing Decisions Reserved for the City

Commitments and processes which exceed the CEO's delegation must be approved by Councillors.

6. EVALUATION CRITERIA

All tenders and quotations above $300,000 (excl GST) (under review) will be evaluated by an evaluation panel, in a two staged process.

The following evaluation criteria must be applied to all purchases above $300,000 (excl GST) (under review). Weightings may be adjusted depending on the size and complexity of the contract.

Stage one – Qualitative assessment of a weighted score totalling 100 per cent

1. Mandatory Criteria– pass/fail evaluation.
2. Response to specification.
3. Experience and qualifications.
4. Business and financial capacity, including quality management.
5. Circular Economy.
6. Sustainability:
    a) Aboriginal and Torres Strait Islander
    b) Local Content / Economic Benefit (mandatory 20 per cent weighting)
    c) Social
    d) Environmental

Stage two – Quantitative assessment
Evaluation of price (direct and indirect) against weighted score calculated as VFM = Tendered Price Score divided by Total Weighted Score (Stage One).

Value for money (VFM), where the lowest VFM will represent the lowest price resulting from the formulae and would determine the preferred tenderer based on this principle.
Proposed amendments to the above mandatory evaluation criteria must have prior approval from the Director/CEO (within financial delegation) prior to proceeding with an approach to market.

7. ETHICS AND PROBITY

The City's procurement activities must be carried out to the professional standards required by best practice and in compliance with:

- the Act;
- the City's policies and procedures;
- any other relevant legislative and policy requirements; and
- the related documents set out in Item 13.

Councillors and City officers must always conduct themselves ethically and with integrity and must:

- treat potential and existing suppliers with equality and fairness;
- ensure all general procurement takes into consideration all relevant ethical supply chain provisions identified within the *Modern Slavery Act 2018*;
- not seek or receive personal gain;
- maintain confidentiality of commercial in confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

The City Officers who are responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

Councillors and City officers must not participate in any action or matter associated with the arrangement of a contract (i.e. specification development, tender submission, evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest or holds a position of influence or power in a business undertaking tendering for the work.

In relation to conflict of interest, Councillors must comply with Division 2 of the Act. The City officer expectations are outlined in the internal manual titled 'Conflict of Interest – A Guide for City of Greater Bendigo Employees' and the City's Code of Conduct.

Confidentiality of information provided by existing and prospective suppliers must be always maintained, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

All person engaged in the evaluation of tenders must adhere to this Policy and complete and lodge a conflict-of-interest declaration and confidentiality agreement.

The City's staff must not publicly endorse any products or services without the permission of the relevant Director or CEO.

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7.1 Internal Controls

The City must install and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end to end;
- transparency in the procurement process;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement.

7.2 Performance Measure and Continuous Improvement

Appropriate performance measures must be established, and reporting systems must be used to monitor performance and compliance with this policy and the City's procurement procedures and controls.

Procurement procedures, practices and costs must be benchmarked externally. Internal service standards must be agreed within the City and performance against these targets must be measured and reviewed regularly to support continuous improvement.

The performance measurements developed will be used to:

- Highlight trends and exceptions where necessary to enhance performance;
- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers;
- Facilitate programmes to drive improvement in procurement to eliminate waste and inefficiencies and create further value across key spend categories;
- Continuous improvement is also achieved by providing feedback to employees on findings from internal policy compliance reviews. Employees are informed of findings to improve practices in the future.

7.3 Assurance, Monitoring, Review and Audit

The procurement department will monitor procurement activities, including compliance with key internal controls, financial savings and economic, environmental and social benefits achieved through procurement on a periodical basis.

Reporting will be provided:

- Quarterly to the Executive Leadership Team (ELT) as part of the Quarterly Health Check; and
- Annually to the Audit and Risk Committee (ARC) as a minimum

Procurement activities will be included regularly in the Internal Audit Plan and related internal controls will be audited by the internal auditors and reported to ARC at least annually.

Cumulative spending with a supplier will be monitored by the procurement department. Where cumulative spending exceeds $300,000 (excl GST) (under review) over three financial years, all successive procurement will need to be undertaken by a public tender process or

eligible contract. City officers should consider cumulative spending limits in the planning phase of the procurement.

7.4 Policy Breaches

In all cases, City officers are responsible for complying with the Policy. Non-compliance with the Policy may result in breach of our legislative requirements and disciplinary actions, including dismissal. In addition, criminal and civil penalties may be imposed in cases of fraud, corruption, bribery or breach of Australian Consumer Laws.

Any material breach will be reported to ELT and the ARC as soon as practical.

7.5 Occupational Health & Safety and Consideration of Risks

The procurement of goods, services and works will comply with the City's Occupations Health and Safety (OHS) processes and safety management systems, to ensure hazards are identified and controlled so far as reasonably practicable.

Where relevant, suppliers must have appropriate OHS practices, insurance and quality assurance processes relevant to the nature of goods, services or works being supplied.

Works projects must include OHS compliance and be expressed as a mandatory evaluation criterion (i.e. pass/fail). A risk assessment must be applied prior to general procurement to ensure satisfactory OHS compliance.

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8. CONTRACT MANAGEMENT

The provision of goods, services and works by contract potentially exposes the City to risk.

The City will minimise its risk exposure through measures such as:

- standardising contracts to include current, relevant clauses;
- requiring security deposits or bank guarantees where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of, or reference to, relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.

8.1 Contract terms and conditions

Contractual relationships must be documented in writing based on standard terms and conditions. In circumstances where this is not possible, approval must be sought from the appropriate City officer (based on the value and nature of the contract) and supported by procurement and legal advice as reasonably required.

Contract terms and conditions must be settled prior to any commitment being made to a supplier. Any exceptions to this process must be pre-authorised by the appropriate City officer.

All City contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the potential for litigation.

8.2 Contract Management Framework

Contracts are to be managed in line with the City's, Contract Management Framework, to provide a clear and standardised approach to managing and administering contracts.

City officers that are involved in the management of contracts on behalf of the City, are required to read and understand the Contract Management Manual to ensure contractual commitments and obligations are effectively met, by delivering value for money and managing inherent risks.

8.3 Panel Contracts

One of the valid outcomes of a public tender process is the appointment of a panel of contractors to promote security of supply. This is most likely to be the case where the City requires a range of services to be performed. The subsequent use of quotes on a job-by-job basis further promotes competition and value for money.

The City can choose to have a closed panel arrangement, where the panel is restricted to suppliers that were successful upon tendering for the duration of the contract. Or the City can choose an open panel arrangement, whereby new suppliers can be accepted and added to the panel at certain times during the contract period.

Panel contractors are usually appointed for an initial three-year term with options to extend contracts. Standard contract documentation specifies that contractors will not be guaranteed any work, but they may be called on at any time to supply goods, services or works.

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In these cases, the contractors may be engaged by:

- Using the schedule of rates submitted in their tender.
- Requesting quotes through the e-Procurement platform.

A key element leading to value for money is pricing. Panels will typically have negotiated rates for goods, works or services – these rates are the maximum rates, and staff should consider seeking reduced rates, discounting or alternative pricing structures to deliver enhanced value for money.

Once a panel is established, care will be taken in relation to the engagement of one or more of the contractors on the panel. Some aspects to consider are:

- The panel member who can best provide the required good/service.
- Competition
- Size and scope of the procurement
- Supplier performance
- If all members of the panel are offering a similar service, the contractor offering the lowest price may be the best option.
- Avoiding situations where, over the contract term, one or two members of the panel are allocated the majority of the work.

A purchase made under a panel arrangement is a procurement activity subject to the procurement policy framework and accordingly must, in itself achieve value for money. Obtaining multiple quotes is the best way in which competition can be used to promote value for money when procuring from a panel. (refer Schedule 1 – Procurement Methodology Thresholds).

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9. SUSTAINABLE PROCUREMENT

The City is committed to maximising positive social, environmental and economic outcomes through procurement.

Opportunities will be taken to generate Aboriginal and Torres Strait Islander, Economic, Social and Environmental benefits wherever practical and achieve value for money.

9.1 Support of the Regional Economy

The City is committed to buying from businesses locally and regionally (neighbouring municipalities), where such purchases may be justified on value for money grounds. Of primary importance is the need to encourage open and effective competition to ensure the best possible outcomes for the City.

These benefits may take the form of:

- Increased local employment and youth initiatives.
- Increased activity and spend in the local economy with identifiable benefits; or
- The level of local content in the goods or services.

To support this commitment and to encourage a focus on local industry, including creating local employment and improving local businesses, the City:

- Must request a quote from a local supplier if the goods, services or works are available locally.
- Must apply a local content/economic benefit non-price criterion with a minimum weighting of 20% to all procurement above $300,000 (excluding GST) (under review)
- Will encourage suppliers to register their business with the City's e-procurement portal to receive notifications of procurement opportunities with the City.
- Will provide regular communication through the City's website and local business groups.

Where there is a limited or no market for a particular category of procurement, the responsible Director or CEO can authorise for local content to be expanded to include Metropolitan Victoria, Regional Victoria or all of Australia.

9.2 Aboriginal and Torres Strait Islander

The City recognises the importance of increasing the economic growth of Aboriginal and Torres Strait Islander businesses and is committed to ensuring it is an integral part of our procurement process.

Refer to Exemptions to the Policy Section, exemption type 11 & 12 for further detail on exemptions relating to Aboriginal and Torres Strait Islander businesses.

9.3 Social Sustainability

Social procurement often takes the form of a local, state or federal department strategically using an appropriate procurement opportunity to generate targeted employment for a specific population group. This includes people with a disability, the long-term unemployed, culturally and linguistically diverse groups, youth, social housing tenants, or a regional, rural or disadvantaged metropolitan area. The City is committed to social procurement, in particular facilitating employment opportunities in disadvantaged communities within the City municipal area.

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9.4 Environmental Sustainability

The City recognises that procurement decisions have an impact on the environment and that through considered purchasing decisions the City has the opportunity to contribute to positive environmental outcomes, maximising long-term benefits for the community.

9.5 Diversity

Promoting social equality through procurement can improve competition, value for money, the quality of public services, satisfaction among users and community relations. Every procurement project should reflect a corporate commitment to diversity and equal opportunities wherever possible.

9.6 Gender Equality

The City acknowledges that it must comply with the Gender Equality Act 2020, the main purpose of which is to require the City to take positive action towards achieving workplace gender equality, and to promote gender equality in the policies, programs and services it delivers.

An Equity Impact Assessment (EIA) was undertaken when reviewing this Policy to consider how the Policy affects different genders and diverse groups in different ways in order to create a more fair and inclusive community.

10. COLLABORATIVE PROCUREMENT

The City works with the Loddon Mallee Regional Procurement Excellence Network (RPEN) with a view to facilitating smooth collaborative procurement processes, consistent with the Act. This Policy is specific to the City and may differ from that of the other RPEN Councils and is intended to apply only to procurement involving the City of Greater Bendigo.

In accordance with Section 108(c) of the Act, the City will first consider collaboration with other Councils and public bodies, or utilise collaborative procurement arrangements, when procuring goods, services and works to take advantage of economies of scale.

City Officers will consider any opportunities for collaborative procurement in relation to a procurement process undertaken by the City. Any City report that recommends commencing a procurement process must set out information relating to opportunities for collaborative procurement, if available, including:

- The nature of those opportunities, if any, and the Councils or public bodies with which they are available.
- Why the City did, or did not, pursue the identified opportunities for collaboration in relation to that procurement process.

When collaborating with the RPEN, the City will do so in accordance with the following:

- Contracts which, due to the subject matter, nature or scope, are likely to deliver operational efficiencies if procured in collaboration with the RPEN, must be included in the consolidated contract register for consideration as a possible joint procurement opportunity.
- Where collaborative procurement is to be pursued:
    - A pre-market approval submission will be submitted to each Council and the RPEN prior to commitment to collaboration, seeking delegation of contract approval to CEOs.

- The RPEN will establish a Heads of Agreement that gives authority for a lead Local Government Area (LGA) to act as each LGA's agent in the collaborative procurement.
- The evaluation criteria that will apply to a collaborative procurement process may not align with the City's' mandatory evaluation criteria as outlined in this Policy.
- Each of the LGA's who participate will be able to enter into a contract with the preferred supplier/s identified through the collaborative procurement process or may choose as a group to enter into a contract using "opt-in" contract provisions during the contract term, or with the Council which conducted the public tender.
- Each participating LGA must be involved in:
  - The initial decision to undertake the collaborative procurement.
  - Preparation of, and agreement to, the specifications.
  - Ensuring probity for the collaborative procurement.
  - The acceptance of tender(s) and awarding of contract(s).

Furthermore, the City may collaborate with other LGA's or other agents such as Municipal Association of Victoria (MAV) Procurement or Procurement Australia to procure goods, services or works, or utilise existing collaborative procurement arrangements for the procurement of goods, services or works established through a public tender process where it provides an advantageous, value for money outcome for the City.

The following principles will be applied when utilising procurement agents (e.g. MAV Procurement and Procurement Australia) and whole of government contracts:

- The City will use an agent where potential cost savings exist.
- The use of procurement agents must not eliminate the ability of suppliers locally and within our region to submit a quotation or tender.

Where there are suppliers locally and within our region and the City participate in a procurement process with an agent, the City will take every reasonable effort to notify relevant suppliers of the procurement opportunity.

Any Federal or State Government grant funded projects may be excluded from collaborative procurement.

11. EXEMPTIONS TO THE POLICY FOR OBTAINING QUOTES:

The following circumstance are exempt from the requirements to publicly advertise tenders, quotations and expressions of interest.

The related exemptions also apply to collaborative procurements.

The exemption number must be recorded on all related procurement documentation including the purchase order and approved by the City officer with the required delegation.

Exemptions relating to Sole Sourcing will also require an exemption form to be completed. This form needs to be reviewed by procurement before it can be sent to the relevant delegate for approval.

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Exemption Type	Exemption Number	Explanation, limitations, responsibilities and approvals
Adverse effect on value for money or public interest	1	CEO can approve if the nature of the procurement and the characteristics of the market are such that the public tender process would lead to the City achieving lesser value for money, due to delays, integration risks or inflated costs or adverse effect on public interest, such as cases of urgent health, safety, or infrastructure needs.
A contract made with the approval of the CEO because of genuine emergency or hardship	2	Where the City has resolved that the contract must be entered into because of an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.)
A contract made with, or a purchase from a contract made by another government entity, government owned entity or other approved third party	3	This general exemption allows engagements: • With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or • In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement Network members (e.g. Local Buy), Procurement Australia (PA)
Extension of contracts while the City is out to market to ensure continuity of supply of goods/services/works to the City	4	Allows the Director/CEO (within financial delegation) and/or City to extend an existing contract where the procurement process to replace the contract has commenced, and where the tender process or negotiations will take or are taking longer than expected. This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality
Professional services unsuitable for tendering	5	• Legal services (employees must consult with the Coordinator Legal Services before engaging external legal providers) • Insurance • Loans • Purchase of land • Electoral or valuation services • Payroll expenses and deductions • Refunds • Professional membership payments and subscriptions (must relate to the position held)

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Exemption Type	Exemption Number	Explanation, limitations, responsibilities and approvals
Novated Contracts	6	Where the initial contract was entered into in compliance with the Act and due diligence has been undertaken in respect to the new party
Information technology resellers and software developers	7	Allows the City to renew software licenses and maintenance and support, or upgrade existing systems, where there is only one supplier of the software who holds the intellectual property rights to the software
Regional Waste and Resource Recovery Groups	8	Situations where a Regional Waste and Resource Recovery Group constituted under the *Environment Protection Act 1970* had already conducted a public tender for and on behalf of its members
Statutory compulsory monopoly insurance schemes	9	• Motor vehicle compulsory third party • Workcover
Operating Leases	10	Where a lessor leases an asset (generally a vehicle or plant and equipment) to the City and assumes the residual risk of the vehicle
Aboriginal and Torres Strait Islander businesses or social enterprises ($25,000 and under)	11	Direct purchasing from Registered Aboriginal and Torres Strait Islander businesses where the estimated value of the procurement is up to $25,000 (excl GST). The identified business must be at least 50% Aboriginal or Torres Strait Islander owned. The procuring officer must first determine whether an Aboriginal and Torres Strait Islander business could deliver the required good, work or service on a value for money basis, before following ordinary procurement processes.
Registered Aboriginal Parties (Traditional Owners), (Over $25,000)	12	Direct purchasing from Registered Aboriginal Parties (Traditional Owners) where the estimated value of the procurement is over $25,000 (excl GST). The identified business must be at least 50% Aboriginal or Torres Strait Islander owned. The Director must first determine whether an Aboriginal and Torres Strait Islander business could deliver the required good, work or service on a value for money basis, before following ordinary procurement processes.
LUAA negotiation activities	13	Any services or works relating to projects within the Greater Bendigo municipality, determined to be negotiation activities under a Land Use Activity Agreement made between the Victorian Government and Traditional Owners.

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Exemption Type	Exemption Number	Explanation, limitations, responsibilities and approvals
Government Mandated	14	Government or legislative mandated use of a supplier
Sole Sourcing	15	Where goods, services or works being procured are of such a specialised nature that there are insufficient known suppliers to meet the requirements of this Procurement Policy (sole sourcing) The sole sourcing process must only be utilised where: • There are insufficient known suppliers to meet the requirements of this Procurement Policy • The marketplace is restricted by statement of license or third-party ownership of an asset (excluding public utility plant) • The City is party to a joint arrangement where the City jointly owns the Intellectual Property with a third-party provider. • Additional procurement – Where it can be demonstrated that the procurement from an original supplier is either replacement of parts, continuing service for existing equipment, product, licencing or similar compatibility. Purchasing via a sole sourcing process is subject to prior approval from the Manager/Director/CEO within financial delegation and/or Councillors The City deals with several core service sole suppliers where there is no market to test and obtain multiple quotes. Examples of core service sole suppliers are: • Library Service - North Central Goldfields Regional Library; • Direct engagement with Dja Dja Wurrung and Taungurung for Advisory activities • Water - Coliban Water; • Water Catchment Authority - North Central Catchment Authority; • Telstra, Powercor • Where the supplier is the sole source of specific intellectual property; Facebook, Google and the like and • Advertising (newspapers, magazines, TV and radio).

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Exemption Type	Exemption Number	Explanation, limitations, responsibilities and approvals
Other specific Council exemptions	16	• Shop Supplies - Units of the City that operate a retail outlet within its Unit that are required to purchase stock for resale to the public. Goods purchased for the purpose of resale are exempt from obtaining quotes. This is due to the nature of the goods that are offered for resale, which may be of a unique nature. • Performers - Units of the City that engage performers as part of their performance program are exempt from the conditions of this policy. Performers are engaged for resale to the public and based on potential earnings the City can raise. • Artworks, Statues and Monuments - The City is in a unique position of operating an Art Gallery. It is not practical to obtain quotes for artworks, statues and monuments as each piece of work is unique. These items are to be purchased with annual budget restraints in mind. Please note that if an artwork is commissioned to be created then this exemption does not apply, and quotations must be sought. • Plant & Equipment Servicing & Spare Parts - plant and equipment purchased by the City require servicing at regular intervals. To maintain a valid warranty, works need to be carried out by recognised suppliers using genuine parts. To achieve this, the City utilises servicing by the manufacturers from whom the plant and equipment was originally purchased. Spare parts from specific manufacturers can also be purchased to complete works on plant and equipment in the City's workshop • Organisations that are auspiced by the City • Employment contracts for staff employed directly by the City of Greater Bendigo are specifically excluded from this policy

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12. RELATED DOCUMENTS

Readers are encouraged to access the following relevant documents and resources:

- the City's Contract Management Framework
- the City's Gifts, Benefits and Hospitality Policy
- the City's Conflict of Interest Guide
- the City's Circular Economy and Zero Waste Policy
- the City's Fraud and Corruption Policy
- the City's Health & Safety Policy
- the Guidelines 2024 Best Practice Procurement Guidelines
- the City's Procurement Procedures Manual;
- the City's Risk Management Policy;
- the City's Corporate Purchasing Card Policy;
- the City's Employee Code of Conduct | City of Greater Bendigo; and
- the City's Councillor Code of Conduct

Requests for further information or advice on this policy should be directed to Governance.

13. HUMAN RIGHTS COMPATIBILITY

The implications of this policy have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

14. ADMINISTRATIVE UPDATES

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this, such a change may be made administratively. Examples include a change to the name of a City unit, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be made through consultation with the staff Consultative Committee and with the approval of ELT or where required, resolution of the Council.

15. DOCUMENT HISTORY

Date Approved	Responsible Officer	Unit	Change Type	Version	Next Review Date
June 2018	*GR*	*Procurement*	*Review (Significant)*	1	*June 2019*
Sept 2019	*GR*	*Procurement*	*Review*	2	*June 2020*
Sept 2020	*GR*	*Procurement*	*Review*	3	*June 2021*
Dec 2021	*GP*	*Procurement*	*Review (Significant)*	4	*June 2025*
Jan 2022	*RM*	*Governance*	*Admin change (formatting)*	5	*June 2025*
April 2022	*RM*	*Governance*	*Admin change (typo)*	6	*June 2025*
June 2025	*GP*	*Finance*	*Review (significant)*	7	*June 2029*

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