

# Procurement Policy

## 2025 - 2029

### 1. 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 review to be conducted every 4-year term of the Council

A strategic Procurement Framework has been developed by the Eastern Regional Group (ERG) in consultation with the Northern Council Alliance (NCA). Council's Procurement Policy aligns with this framework and Local Government Best Practice Guidelines to promote consistent procurement governance. This will enable collaboration and the development of a coordinated approach to aggregate procurement and shared services in the future.

### 2. PURPOSE

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

- Provide a procurement framework for the Council to achieve value for money in the procurement of goods, services and works
- Ensure procurement is ethical, transparent, and accountable to ratepayers and residents.
- Support the achievement of Council's strategic objectives as stated in the Council Plan and policies
- Support the Council's sustainability and social goals.
- Drive continuous improvement in the provision of services to the community
- Specify the thresholds and criteria for public tender or expression of interest purchases
- Use resources efficiently and effectively for the benefit of the community.

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.

#### **What if we do not comply?**

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.

### **3. OBJECTIVES**

The objectives of the Procurement Policy are to ensure Council meets its legislative obligations and provides a fair and transparent process that:

- Promotes open and fair competition and value for money.
- Establishes clear guidelines for consistency and control in procurement.
- Demonstrates accountability to ratepayers.
- Guides ethical behaviour in procurement.
- Follows best practices and considers sustainability (financial, social, economic, environmental).
- Maximises community benefits in procuring goods, services, and works.
- Encourages collaborative procurement and broadens competition, including new entrants to Local Government.
- Considers the social impact, including child safety and human rights.

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.

### **4. 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 and Contract 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.

## 5. 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.

## 6. POLICY

### 6.1 Value for Money

In applying the Value for Money principle, Council will:

**Consider Whole-of-Life Costs**, including 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.

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

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

**Champion Sustainable and Ethical Procurement**, engaging suppliers 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.

**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.

### 6.2 Open & Fair Competition, Accountability, Probity & Transparency

Council procurement must be open, transparent, ethical and legally compliant. All staff and procurement participants must act with integrity, impartiality, and manage conflicts of interest

and/or perceived conflicts to build confidence in the outcome. Councillors must avoid conflicts of interest and not influence staff improperly.

Procurement staff (e.g. those drafting tenders, writing specifications, or evaluating bids) must declare any conflicts. Evaluation panel members must complete a Conflict-of-Interest declaration. Misconduct must be reported. Procurement decisions must be evidence-based, transparent, and auditable. Inducements, gifts, benefits, or hospitality from suppliers are strictly prohibited.

**Staff must:**

- adequately test the market in a consistent manner without any bias or perception of bias
- must treat all suppliers (and be seen to be treating) fairly and provide with the same access to information
- complete disclosable interests and confidentiality declarations before and during evaluations
- disclose conflicts before providing advice or reports
- refer conflict to Coordinator Procurement for review
- withdraw from any role of influence or decision-making role if directed.
- be responsible for the actions and decisions they take in relation to Procurement and for the resulting outcomes
- must ensure where a third-party agent is engaged to procure works, goods or services on behalf of Council, they are compliant with this Policy and relevant legislation including the Act

Council will publish information about contracts worth over \$500,000 (exclusive of GST) in the quarterly performance and annual reports. This is to enhance transparency and to align with Council's reporting obligations under the Local Government (Planning and Reporting) Regulations 2020.

Council will process all procurement activities over \$50,000 (exclusive of GST) through Council's on-line E Tender Portal. This is used to source suppliers and invite them to quote on work and to publish open tenders.

### 6.3 Disclosure of Information

Council will protect the confidentiality of information provided by suppliers, particularly regarding commercially sensitive material such as prices, discounts, rebates, profit, methodology, and intellectual property.

Councillors and Council staff must not discuss current or proposed procurement or tender processes with external parties. Discussions with potential suppliers during tender evaluations should only focus on clarifying their offerings.

## 6.4 Reporting Suspicious Activity

Council will protect individuals who provide information about suspected fraud, ensuring confidentiality and protection from harassment. Any suspected improper conduct, including bribery or irregular approaches from suppliers or individuals, will be investigated and reported per Council's policies and procedures.

The CEO must notify IBAC of any suspected corrupt conduct as required under the Independent Broad-based Anti-Corruption Commission Act 2011.

## 6.5 Governance

Council has delegated procurement powers, duties, and functions to the CEO to ensure processes that:

- Allow timely procurement of the diverse goods, works, and services needed by Council.
- Provide equal opportunity for contractors and suppliers to submit tenders and/or quotations.
- Encourage competition and collaboration.

## 6.6 Conduct of Suppliers

Council is committed to ethical, sustainable, and socially responsible procurement and expects its suppliers to uphold the same values. Suppliers must adhere to the Whitehorse Supplier Code of Conduct.

## 6.7 Responsible Financial Management

Responsible financial management will guide all procurement activities to ensure efficient and effective use of Council funds. To implement this principle:

- Funding availability within the approved budget must be confirmed before starting any procurement activity and managed according to the procurement policy.
- Delegated officers must not authorise expenditures beyond their approval limits.
- Funds should be spent efficiently, without compromising procurement principles.
- Council or their authorised delegate will consider the overall need for purchases across functions before approaching the market as part of the budget process.
- Where practical, smaller contracts for similar services will be consolidated.
- Contracts will not be split to avoid financial thresholds.
- Existing solutions within Council will be reused where possible, and major procurements will align with Council priorities and market conditions.
- Council will strive to achieve its objectives and maximise value for money.

## 6.8 Internal Controls and Compliance

All individuals involved in procurement must adhere to internal controls to ensure:

- Multiple people are responsible for each transaction.
- Transparency in the procurement process.
- A clear, documented audit trail for procurement functions.
- Necessary authorisations are obtained and recorded.

Compliance will be monitored by the Procurement and Controls and Compliance Teams. Minor issues will be addressed by leadership staff, while serious compliance issues will be reported to the Director of Corporate Services, the Audit and Risk Committee, and Council.

Where a procurement activity is complex, sensitive or subject to a high degree of public scrutiny, Council will increase the integrity of the procurement by engaging external probity advisors for certain values or under certain circumstances.

## 6.9 Procurement during 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.

## 6.9 Risk Management

Appropriate risk management principles must be considered and applied at all stages of procurement to ensure continuity of supply of goods, services and works to Council.

Procurement activities will be properly planned and carried out in a manner that will protect and enhance Council's capability to prevent, withstand and recover from risks of personal injury, property damage, reputation, financial exposure and interruption to the supply of goods, services and works.

Council will minimise its risk exposure through the following measures:

**Procurement Planning:** allowing sufficient time for procurement preparation, market engagement, and internal approvals to reduce the risk of rushed or non-compliant processes and to integrate risk identification at the earliest planning stage to inform the procurement process

**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 supplier non-performance or contract default.

**Due diligence Checks:** undertaking financial and reference checks on new and existing suppliers, 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:** review and negotiate contract departures and non-standard contracts prior to the award of the contract with advice retained as evidence of review and approval of the terms and 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.

## 6.10 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.

## 6.11 Procurement Thresholds and Methodology

Section 108 of the Act requires Councils to set public tender thresholds for when tenders or expressions of interest must be publicly invited. When applying procurement thresholds, the following must be adhered to:

- The purchase or contract total value includes estimated costs, contingencies, provisional sums, project management and any potential contract extensions over the contract term, including any end-of-life disposal costs.
- If multiple purchases are made from the same supplier over time, the cumulative value is based on the total expected spend, calculated over a three-year period.
- All verbal and written quotations, along with supporting procurement documentation, must be stored in Council's Corporate Records Management System.

The procurement methodology is based on the value threshold and/or the purchase risk. Council will invite tenders, proposals, quotes, and expressions of interest based on the thresholds outlined in the table below.

Value of Purchase (Excluding GST)	Minimum Selection Method	Comments
Up to \$9,999	<ul style="list-style-type: none"> <li>• Best Offer</li> <li>• Where possible, staff must seek a quote from a local supplier</li> </ul>	Purchase Order
\$10,000 to \$49,999	<ul style="list-style-type: none"> <li>• At least three written quotes are to be invited from suppliers who are considered able to meet the requirements.</li> <li>• Where possible, staff must seek a quote from a local supplier</li> <li>• Where only one quote is received from those invited, Value for Money must be demonstrated.</li> </ul>	Purchase Order must be in place and Value for Money. Exemption from three quotes must be approved by Manager Finance on the advice of the Coordinator Procurement
\$50,000 to \$299,999.99	<ul style="list-style-type: none"> <li>• Undertake a formal Request for Quote process within Council's E-Tendering Portal.</li> <li>• At least three compliant written quotes are to be received from suppliers who are considered able to meet the requirements.</li> <li>• Where possible, staff must seek a quote from a local supplier</li> <li>• Where less than three quotes are received from those invited, Value for Money must be demonstrated.</li> <li>• Address any risk issues including OH&amp;S</li> </ul>	A Procurement Plan and Contract is mandatory.
\$300,000 and over	<p>A public tender process is required for goods, services or works where once-off or on-going cumulative spend over the life of the contract is expected to exceed \$300,000.</p> <p>Address any risk issues including OH&amp;S.</p>	

## 6.12 Market Testing

Market research and testing should be conducted at least 12 months before the contract end or extension. This research aims to identify potential benefits, including cost savings, risk reduction, innovation, or improved sustainable outcomes.

## 6.13 Strategic Procurement

Council's procurement processes will be based on Strategic Procurement practice including:



- Early planning will include consideration of aggregation opportunities; access to suppliers under existing contracts; and an analysis of alternative contract models and risk considerations.
- Effective and open working relationships with suppliers and managing existing suppliers via performance measurements is necessary to realise benefits negotiated through contracts
- Supply market development to diversify suppliers competing for new work
- Investigation of opportunities for business partnering ventures to gain further opportunities for service delivery and shared servicing

#### 6.14 Local Economic Benefits

Council will use procurement to support local businesses and employers in the City of Whitehorse and surrounding areas. While value for money remains a key objective, priority will also be given to supporting local businesses and creating employment opportunities. This includes:

- Increasing purchases from businesses in the Whitehorse municipality.
- Supporting local suppliers and subcontractors.
- Promoting local employment.
- Supporting local production and manufacturing.

#### 6.15 Collaborative Procurement

The Act identifies collaborative procurement as a key objective for local governments.

Council must consider opportunities for collaborative contracts, potentially across different service or goods categories, and to assess the timing of existing contracts.

Where practical, Council will collaborate with other councils to take advantage of economies of scale, explore service design best practice, reduce risk, shared service opportunities, drive innovation with suppliers and deliver opportunities to the community. Opportunities to collaborate must be identified within the Procurement Plan.

#### 6.16 Cumulative Spend incl Tender/Quotation and Contract Splitting Prohibited

Council must ensure compliance with procurement obligations when cumulative payments to a single or multiple suppliers for similar goods, services or works meet or exceed the thresholds set in this Policy.

The total likely cumulative value of procurement activities or categories with multiple suppliers must be considered during the planning phase. Cumulative spend is calculated over three years, and Council should proactively identify opportunities for aggregation.

The contract length and value must be determined in good faith, considering Council's needs and the scope of the goods, services or works to be procured. Purchases or orders must not

be split to fall below an individual's authority level or applicable threshold. Intentional measures to avoid procurement thresholds, such as contract splitting or multiple orders with a single supplier are considered a breach of this Policy.

### 6.17 Procurement Options

Procurement options include:

- Direct purchase (using Corporate credit card; Purchase card) or utilising existing supplier contracts
- Approved purchasing schemes or use of Panel contract (including panels established by councils in the eastern region and Victoria)
- Select invited tender
- Open or Public tender
- Collaborative or joint procurement (through Aggregators or with one or more other council)
- Victorian State Government contracts (e.g. State Purchase Contracts, Whole-of-Government contracts or Construction Supplier Register (CSR))
- Under an exemption outlined in this Policy

### 6.18 Evaluation Criteria and Value for Money

When evaluating a procurement proposal, value for money is the primary evaluation objective, considering both cost and non-cost factors (not necessarily the lowest cost). This includes:

#### Financial

- A cost weighting for evaluation must be between 40% to 80%. If the weighting is set below 50%, a sound business reason must be provided. This should also consider whole of life cost, considering long-term costs beyond the initial purchase.

#### Capability

- A cost weighting for capability must be at a minimum 20% and ensure the goods, service and/or works are fit for purpose.
- Quality of the goods, service and/or works.
- Service and support offered.
- Ability to meet timelines
- Demonstrate available and adequate resources to undertake the services and/or works described in the specification

#### Credibility

- Sustainable and ethical procurement (e.g. environmental, social, indigenous, child safety, gender equality)
- Local content
- Previous experience and referee endorsement

The evaluation criteria for tenders will be approved through the Procurement Plan.

### 6.19 Late and Non-conforming Submissions

- As a rule, and in the spirit of transparency Council will not accept any late responses for quotations/ tenders or expressions of interest under any circumstances unless otherwise stated in the conditions of quote/tender/expression of interest.
- Non-conforming submissions will be determined in accordance with the conditions of quote/tender/expression of interest.

### 6.20 Exemptions from following the Procurement Process

Council Officers seeking an exemption from quotation and/or tendering requirements must complete a Procurement Plan, Exemption Form and Conflict of Interest Declaration, which must be endorsed by the Coordinator Procurement and approved by the Manager Finance. This does not negate the requirement for a contract which will still apply for all activity valued over \$50,000.

Exemptions include:

Exemption Description	Explanation, limitations, responsibilities and approvals
1. A contract or purchase made because of genuine emergency or disaster	<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>
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party	<p>The following are exempt from the procurement process:</p> <ul style="list-style-type: none"><li>• Engagements with government entities (Federal, State, Local, or government-owned) where contracts comply with the Act.</li><li>• Contracts or arrangements established by other government entities, local authorities, or group purchasing schemes (e.g., MAV, Local Buy, Procurement Australia, Regional Waste Management Group), provided these followed a public tender process.</li></ul> <p>With prior approval from Procurement and/or ELT, and demonstration of Value for Money, the following panels are also exempt:</p> <ul style="list-style-type: none"><li>• Construction Supplier Register</li><li>• Department of Treasury and Finance Consultants Panel</li></ul>

	<ul style="list-style-type: none"> <li>• Marketing Services Register</li> <li>• E-services Panel (Technology Marketplace)</li> </ul>
3. Professional and other Services unsuitable for tendering	<p>The following procurements are exempt from the procurement process:</p> <ul style="list-style-type: none"> <li>• Issuance of Insurances (excluding Insurance Brokerage Services)</li> <li>• Payments with statutory/legislative obligations (e.g., ATO, fire levy)</li> <li>• WorkCover 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>• Procurement of works of art from a specific nominated artist (Note: Commissioning of Art Works is not exempt)</li> <li>• Procurement of performing arts (including artists or shows in drama, music, dance)</li> </ul>
4. Proven Monopoly Market	<p>Procurement from a monopoly or sole supplier, where exclusive rights or ownership exist, is exempt from procurement thresholds, allowing for direct negotiations. This applies to:</p> <ul style="list-style-type: none"> <li>• Statutory compulsory insurance schemes (e.g., WorkCover, Motor Vehicle Third Party)</li> <li>• Statutory authorities or services (e.g., water, telecommunications)</li> <li>• Utilities (e.g., Powercor)</li> <li>• Transport services (e.g., Yarra Trams)</li> <li>• Proprietary software and related maintenance</li> <li>• Asset-specific maintenance performed solely by one supplier</li> <li>• Continuous sole supplier exemptions (multi-year services across projects)</li> <li>• Services restricted by patents, IP, or third-party ownership</li> <li>• Situations where alternate providers are not feasible due to budget constraints (e.g., IT upgrades, fleet parts)</li> <li>• Sole suppliers after exhausting alternatives and considering scope adjustments</li> <li>• Technical requirements for system integration or access to specific IP</li> <li>• Software license renewals with necessary system integration</li> </ul>
5. Adverse effect on Value for Money or public interest	<ul style="list-style-type: none"> <li>• Council may determine that due to the nature of the procurement / or existing contract arrangement and the characteristics of the market, a public tender process could result in <b>lesser value for money</b> or have an <b>adverse impact on the public interest</b>.</li> </ul>
6. Novated Contracts	<ul style="list-style-type: none"> <li>• Where the initial contract was entered into in compliance with this Policy and due diligence has been undertaken in respect to the new party.</li> </ul>

## 6.21 Accessing Existing Council and External Panel Contracts

Under an existing externally approved Tendering Agent or Victorian Government Contract, such as Procurement Australia, Municipal Association of Victoria (MAV), or Victorian State contracts (all of which have been market-tested), staff are required to:

- Prepare a project brief and obtain a minimum of three quotes from suitable panel members or arrangements.
- Evaluate the quotes received.
- Follow the process outlined by the Tendering Agent.

For internal Council Panel Contracts, a minimum of two quotes is required unless only one capable supplier exists on the panel. Multiple quotes are encouraged where a competitive situation can be created, ensuring an improved value-for-money outcome. The rules of engagement from the panel contracts must be determined prior to the tender being published in the market.

When accessing Victorian Government supplier registers, procurement thresholds must still be followed. However, suppliers can be selected directly from the register, or a single quote obtained if a sole provider exists.

For amounts above \$50,000, two evaluation members are required. For amounts above \$300,000, three evaluation members are required.

## 6.22 Exemption from raising a Purchase Order

The following expenditure types are exempt from the requirement to raise a purchase order:

- Transactions of the following types:
  - Staff salaries or wages
  - Taxation / Superannuation / WorkCover / Payroll deductions
  - Investments / Term deposits
  - Payments to statutory authorities, including legislatively required audits (e.g., VAGO, Ombudsman)
  - Couriers
  - Utilities / Phone
  - Half-cost fencing
  - Subscription and membership renewals
  - Warranty renewals
  - Conferences, seminars, and travel arrangements
  - Councillors and Mayoral allowances
  - Grants
  - Fees paid to committee members
  - Property and lease arrangements, bank fees, and other transactional charges facilitated via pre-authorised direct deposits
  - Fire service levies
  - Sundry refunds and refunds of bonds and customer council rates

## 6.23 Delegations of Authority

Delegations define the limitations within which Council Staff are authorised to commit Council expenditure for the procurement of goods, services or works. Via the **CEO Instrument of Delegation** designated Council Staff are able to undertake specific purchasing, quotation, tender and contractual processes under delegation. This ensures that procurement activities are conducted efficiently and timely, while also maintaining transparency and integrity.

The Council and the CEO have delegated responsibilities for the expenditure of funds related to the procurement of goods, services and works, including the acceptance of quotations and tenders, as well as contract management activities. Council will maintain a documented scheme of **procurement delegations**, which will clearly identify the staff members who have been delegated the authority to make procurement commitments concerning goods, services, and works.

### NOTE:

- No staff member outside those listed under this policy have the authority to sign any contract, agreement, lease, memorandum of understanding or other legally binding document that commits a financial payment or benefit to any third party.
- Staff must obtain prior approval for any expenditure involving staff reimbursements.
- To process approved transactions, the Manager of Finance has unlimited delegation in the ERP system
- Procurement of goods, services, or works exceeding \$1,000,000 requires Council approval at a Council Meeting. However, high-risk or high-sensitivity procurements under \$1,000,000 (as determined by the CEO) also require Council approval.
- The CEO may approve additional delegations to officers as needed for operational purposes, but these must not exceed the CEO's authority.
- Procurement authority may be transferred to an authorised officer by the Procurement Team upon written request from the delegated officer (e.g., during leave or unavailability).
- Council may increase the CEO's Delegation Approval Limit by resolution for specific contractual arrangements, provided:
  - The increase is within the approved budget.
  - An established governance framework is in place.

The procurement of all goods, services, and works, as well as the refund or reimbursement of funds (including cash refunds, bank guarantees, bonds, etc.), must be approved by the delegated officers in accordance with the following levels:

<b>Council Officer</b>	<b>Approval Limit (Excluding GST)</b>	<b>Staff Reimbursements (Excluding GST)</b>
Council	Unlimited	N/A
CEO	\$1,000,000	\$2,000
Director / Exec Manager	\$500,000	\$1,000
Manager	\$300,000	\$500
Coordinator	\$50,000	\$200

\*Note staff reimbursements are for incidental business-related costs, are subject to prior approval and are only an option when staff do not have access to a purchase order or credit card.

## 6.24 Contract Variations / Extensions and Renewals

To continually improve its outcomes, Council will evaluate and seek to improve on all aspects of procurement and contract management, in accord with procurement processes and the policy.

Contract Variations must include a clear understanding of what the change to scope or additional elements are and must be formalised between Council and the contractor. Should the value of the contract increase because of the variation causing the cumulative cost to exceed the original contract approval it must be re-approved by the relevant financial delegate.

Staff must not use allocated contingency funds, fee allowances or unspent project management costs for variations to contract scope. These funds are for emergency unforeseen expenditure and contracted fees allowable under the scope of the initial contract.

Contract extensions must include an assessment of the following:

- Provides strategic enhancements during the current contract lifecycle including:
- Innovation to the existing service.
- Alternative or improvements to the existing service.
- Added services to the contract.

Contract renewals are to be subject to a strategic assessment prior to the contract end (generally 6-12 months prior to end date depending on the complexity) including:

- Market assessment of suppliers and service delivery models.
- Contract synergies across City of Whitehorse services.
- Strategic assessment of the service model and specification.
- Review of contract structure and pricing approach.
- Defines the future strategic direction.
- Identifies service risk review including transition.

## 7. DEFINITIONS AND ABBREVIATIONS

Term	Definition
the Act	<a href="#"><u>Local Government Act 2020</u></a> .
Best Value	Best value in procurement is about selecting the supply of goods, services and works considering both cost and non-cost factors including: <ul style="list-style-type: none"> <li>• contribution to the advancement of Council's priorities</li> <li>• non-cost factors such as fitness for purpose, quality, service and support; and</li> <li>• 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.</li> </ul>
Chief Executive Officer ('CEO')	The highest ranked officer responsible for managing the whole organisation
Collaborative Procurement Arrangement	Council actively pursues collaborative opportunities with other Councils or government agency to purchase like services to achieve best value by leveraging combined economies of scale.
Collaborative Procurement	The centralisation of the procurement of goods, services or works which are repetitive and common to multiple organisations, or that are highly complex and benefit from specialisation
Commercial in Confidence	Information that, if released, may prejudice the business dealings or commercial interests of Council or another party, e.g. prices, discounts, rebates, profits, methodologies and process information, etc.
Competition and Consumer Act 2010 (CCA)	The CCA protects businesses and their customers from unfair trading practices. The CCA aims to prevent businesses from engaging in practices that lessen competition, such as anticompetitive agreements, misuse of market power, and mergers that would substantially lessen competition.
Competitive Neutrality Policy Victoria	Competitive neutrality is a principle that ensures government businesses compete with private sector businesses on a fair and equal footing, preventing public sector businesses from unfairly benefiting from their government ownership. The Victorian Government's Competitive Neutrality Policy is to ensure that significant government businesses compete fairly in the market
Conditions of contract	The contractual terms that define the obligations and rights of the parties involved in the contract and form the basis of the contract awarded to the successful respondent.
Confidentiality agreement	A written legal document that is proof and record of the obligations agreed to between the parties; to protect the commercial interests of the council and/or the supplier. Often used interchangeably with the deed of confidentiality.
Conflict of interest	In Victorian local government the law provides that a council officer holding a delegation or advising council, or a delegated committee has a conflict of interest which they must disclose in writing when they have a general or material interest of the type specified in the legislation.



Conflict of interest declaration	A declaration signed by staff, councillors and consultants involved with an RFX process to indicate they do not have a conflict of interest.
Consultant	A particular type of contractor engaged to provide recommendations, specialist or professional advice to assist decision-making. A consultant is usually engaged by way of a short term or temporary contract, is normally expected to work without direct supervision, to exercise their own judgement, conduct complex research or investigations and provide advice or recommendations. A consultant may include specialist professional services and be an individual or an organisation.
Contract	A legally binding agreement (including deeds and purchase orders) between parties. While an agreement does not need to be in writing it is generally documented in some way, such as an exchange of letters or emails. A contract requires the parties to obey the terms in the contract and perform their contract duties as stated. Failure to do so may result in legal consequences, such as a damages award
Contract Management	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the contract objectives and provide Value for Money.
Contract Manager	A Council Officers member or approved person with delegated authority to manage a legally binding agreement between Whitehorse City Council and a Contractor.
Contractor	A company or individual selected to supply goods, provide services, perform works or consult for Whitehorse City Council. To these guidelines, "Contractor" shall be listed as "Supplier," "Service Provider" or "Consultant" depending on the type of purchase.
Contract Variation	An addition or alteration to the goods and/or services under a contract that is within the general scope of the original contract. A contract variation can be documented between the parties with a letter or a deed of variation. It may also require a quotation from the contractor if there are financial implications. This needs to be agreed to by both parties.
Council	Whitehorse City Council, being a body corporate constituted as a municipal Council under the <i>Local Government Act 2020</i> .
Councillors	Council's elected representatives (the Mayor, Deputy Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
Council Officers	Includes all Council officers, temporary employees, contractors, volunteers and consultants while engaged by Council.
CSR - Construction Supplier Register	A pre-qualification scheme for building and construction industry consultants and contractors for government bodies (including councils) to engage when undertaking construction projects. The CSR is available on the Department of Treasury and Finance website.
Deed of Confidentiality	See confidentiality agreement.
Delegate	A person authorised by the Council or Chief Executive Officer to make a 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 Council or Chief Executive Officer in an instrument to enable a delegate to act on Council's behalf.
Direct Purchasing	A buyer who does not conduct any competitive process in the procurement of a good or service and selects/purchases the goods or services instantly

	without any evaluation or selection process e.g. Purchase Card, use of Panel /aggregator etc. in accordance with policy
Due diligence	The process of reviewing and analysing in detail the capacity of a responding organisation to meet future contract performance requirements. This may include a detailed assessment of the organisation's financial stability, legal risk, technical capacity and infrastructure.
e-Procurement	e-Procurement is integral to the overall development of procurement processes and involves the use of an electronic system/s to acquire and pay for supplies, services` and works. At Whitehorse City Council this is orders raised on ERP System, however, could involve other systems such as on-line stationery ordering or on-line travel management.
Eastern Region Group of Councils (ERG)	The ERG comprises of 6 Councils including the metropolitan Councils of Knox, Whitehorse, Maroondah, Manningham, Monash, and Yarra Ranges. It is made up of CEOs, Mayors and Deputy Mayors from these organisations with a rotating chair.
Eastern Regional Procurement Network (ERPN)	The ERPN comprises of 7 Councils including the metropolitan Councils of Knox, Whitehorse, Boroondara, Maroondah, Manningham, Monash, and Yarra Ranges. It is made up of procurement professionals from these organisations with a rotating chair.
Emergency	<p>A sudden or unexpected occurrence requiring immediate action, such as:</p> <ul style="list-style-type: none"> <li>- the occurrence of a natural disaster such as flooding, bushfire or pandemic which may require the immediate procurement of goods/services/works to provide relief.</li> <li>- the occurrence of an event such as flooding or fire at a council property which may require the immediate procurement of goods, services or works to ensure business continuity.</li> <li>- the unforeseen cessation of trading of a core service provider due to bankruptcy and a need to appoint a replacement service provider on the grounds of public safety; or</li> <li>- any other situation which is liable to constitute a risk to life or property.</li> </ul> <p>A situation that becomes urgent because of insufficient planning or tight project timeframes <b>does not</b> constitute an Emergency under this Policy or when a procurement is made in Oracle.</p>
Enterprise Resource Planning ("ERP")	ERP is a software system that integrates and manages core business processes, such as finance, human resources, and purchasing. ERP systems provide a centralised platform to streamline operations, improve data accuracy, and enhance decision-making across an organisation.
Evaluation criteria	The criteria used to evaluate the compliance and/or relative ranking of RFx submissions. All evaluation criteria must be clearly stated in the RFx documentation.
Executive Leadership Team (ELT)	Senior Executive comprising Chief Executive Officer, Directors and nominated Executive Managers.
Expression of Interest (EOI)	An invitation for persons/companies to submit an EOI for the provision of the goods and/or services set out in the overview of requirements contained in the document. This Invitation is not an offer or a contract. This can be used to confine the number of invited tenderers for an RFT where there is expected to be significant cost or effort and only potential winners are to be invited, to pre-qualify tenderers where significant interest is expected, or even to gather information on what is available in the market before conducting a tender.

General conditions of contract	Contractual terms which define the obligations and rights of the parties involved in the contract and form the basis of the contract awarded to the successful respondent/supplier.
The Independent Broad-based Anti-Corruption Commission (IBAC)	IBAC is Victoria's agency responsible for preventing and exposing public sector corruption and police misconduct. Their jurisdiction covers state and local government, police, parliament and the judiciary.
Indigenous Business	As per Supply Nation's definition, an Indigenous Business is one that is at least 50% owned by an Aboriginal or Torres Strait Islands person(s).
Late tender	An RFx or RFt submission received after the specified closing time and date.
Life-Cycle Cost	An evaluation that determines the cost of acquisition, operation, maintenance, and disposal of items.
Local Business	A commercial business with an operational premise that is physically located primarily within Whitehorse Municipality or has its supply chain (material or labour) within the municipality, then broadening to the municipal borders of the 7 Eastern Regional Councils. Local content' includes but is not limited to: <ul style="list-style-type: none"> <li>• Enterprises that source locally based manufacturers for materials / infrastructure / equipment / vehicles.</li> <li>• Enterprises that employ residents.</li> <li>• Enterprises that provide evidence of broad-based local solutions to maximise economic development for Whitehorse; and</li> <li>• Businesses demonstrating cooperative enterprises with social &amp; economical outcomes for local community.</li> </ul>
Local Government Victoria ('LGV')	LGV provides policy advice, oversees legislation and collaborates with councils to support responsive and accountable local government services.
Monopoly market conditions	When goods, services or works can be supplied only by a particular business and there is no reasonable alternative or substitute for one of the following reasons: <ul style="list-style-type: none"> <li>- the requirement is for works of art.</li> <li>- to protect patents, copyrights or other exclusive rights, or proprietary information (e.g. Melbourne Water-owned assets, licenses or subscriptions); or</li> </ul> due to an absence of competition for technical reasons.
National Competition Policy (NCP)	The NCP impacts on Council's procurement processes. In brief, NCP extends the Australian Consumer Law to Councils and introduces Competitive Neutrality Policy.
Negotiation	The bargaining process between two or more parties. Each party has its own viewpoints and objectives but seeks to reach an overall satisfactory arrangement.
Northern Councils Alliance (NCA)	The NCA comprises of 7 Councils including Banyule, Darebin, Hume, Mitchell Shire, Merri-bek, Nillumbik Shire and Whittlesea.
Panel or Standing Offer	Panel contract (panel arrangement or standing offer) is a contractual arrangement established with at least two suppliers for the anticipated provision of goods or services, as and when required over a specified period of time. The panel contract contains standard terms and conditions under which panel members will provide the goods or services
Preferred respondent	Respondent who at the conclusion of the evaluation period has been selected to enter contract negotiations for the contract with the principal.
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 three.

Probity	In the context of a procurement process probity denotes a defensible process which can withstand internal and external scrutiny – one which achieves both accountability and transparency, providing tenderers with fair and equitable treatment both real and perceived.
Probity Advisor	A probity advisor participates in providing advice on probity issues which may arise, together with advice on strategies to overcome potential problems.
Probity Auditor	A probity auditor's role is more generally confined to reviewing all processes and documentation throughout the tender process and reporting to council or the CEO after the end of the process.
Procure to Pay	Procure to Pay is the process of seeking/requesting tenders/quotations or expressions of interest, requisitioning, purchasing, receiving, paying for and accounting for goods and Services.
Procurement	<p>Procurement is the process of acquiring goods, services and works, beginning when a need has been identified and resulting in the award of a contract. It includes planning, design, standards determination, specification writing, preparation of request for quotation/tender 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.</p> <p>Procurement does not include:</p> <ul style="list-style-type: none"> <li>• grants issued by Council (whether in the form of a contract, conditional gift or deed).</li> <li>• investments or divestments.</li> <li>• land or property sales.</li> <li>• loans.</li> <li>• developer contributions or works performed by developers, insurance.</li> <li>• engagement of employees.</li> <li>• payments made in line with statutory/legislative requirements; and</li> <li>• property purchases and leases.</li> </ul>
Procurement and Contract Management System (P&CMS)	Council's online Procurement and Contract Management System (P&CMS) which prescribes the processes, templates and guidelines for all stages of the end-to- end procurement and contract management lifecycle.
Procurement Plan (PP)	Refers to a detailed plan for a proposed RFx process. It outlines the procurement strategy for contracts and draws a strategic connection between the higher-level project planning and implementation through procurement. The PP must be completed and authorised by the appropriate delegate prior to going to market.
Project Control Group ("PCG")	The PCG is a group established to oversee, facilitate and monitor the development of a Capital Project from inception to practical completion. The PCG communicates with and directs the Project Manager through the planning, design, construction and inception.
Purchase Order	A short form of contract, which is an official document used to authorise and record the purchase of goods, services or works by a buyer. It is the prime reference confirming the contractual situation between the buyer and supplier.
Request for Proposal (RFP) / Request for Information (RFI)	An RFP is sent to the supplier market, designed to capture commercial information and pricing. It Council to assess the suitability and evaluate responses against a set of pre- defined requirements or to gather information on what is available in the market prior to finalising specifications for a tender.

Request for Quote ("RFQ")	An RFQ, or Request for Quote is a direct invitation to suppliers, asking them to send offers – it is subject to thresholds set within the procurement policy framework.
Request for Tender ("RFT")	An RFT, or Request for Tender, is a formal open invitation to suppliers, asking them to send offers in a structured format – it is subject to thresholds and the LG Act.
Requisition Approver	A Council Officers member or approved person with delegated authority to approve the procurement of goods, services or works on behalf of Whitehorse City Council.
Requisitioning Officer	A Council Officers member or approved person assigned to procure goods, services or works on behalf of Whitehorse City Council.
RFx	Includes both Request for Quote (RFQ) and Request for Tender (RFT) processes
RFx Conditions	Rules governing the content and provisions of submissions and the conduct of the RFx process.
Schedule of Rates Contract	A standing offer arrangement based on a Schedule of Rates contract that sets out rates for goods and services which are available for the term of the agreement but without a commitment to purchase a specified value or quantity of goods or services.
Small to medium enterprises	Actively trading business with less than two hundred full-time equivalent employees (ABS).
Social enterprise	Social Enterprises are certified by Social Traders and are: <ul style="list-style-type: none"> <li>- led by an economic, social, cultural, or environmental mission consistent with a public or community benefit.</li> <li>- derive a substantial portion of their income from trade; and reinvest most of their profit/surplus in the fulfilment of their mission.</li> </ul>
Social Procurement	Social procurement uses procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works.
Specification	A document that specifies the design requirements, work objectives, technical attributes, deliverables, performance criteria/indicators, indexation/options and payment information for an engagement/contract.
Subject Matter Expert ("SME")	A subject matter expert, or SME, is the person who possesses a deep understanding of a particular subject.
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Sustainable Procurement	Involves decision making that has the most positive environmental, social and economic impacts possible across the entire lifecycle of goods, services and works. The United Nations Environment Programme defines sustainable procurement as a "process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves Value for Money on a whole of life basis in terms of generating benefits not only the organisation, but also to society and the economy whilst minimising damage to the environment." Social procurement is when organisations use their buying power to generate social value beyond the value of the goods, services or works being procured.
Tender briefing	A forum held at a Council site/s where a Council representative(s) briefs prospective respondents regarding an RFx process and responds to questions raised.
Tender Process	The process of inviting parties from either a select list or via public advertisement to submit an offer by tender followed by evaluation of submissions and selection of a successful bidder in accordance with pre-determined evaluation criteria.

Thresholds	The value above which a procurement, unless exempt, is subject to the mandatory procurement procedures.
Total Contract Sum	The potential total value of the contract including: <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; and</li> <li>• all other known, anticipated and foreseeable costs (this should include provisional items and project management fees).</li> </ul>
Value for Money	Value for Money in procurement is about selecting the supply of goods, services and works considering both cost and non- cost factors including: <ul style="list-style-type: none"> <li>• Contribution to the advancement of Council's priorities.</li> <li>• Non-cost factors such as fit for purpose, quality, service and support;</li> <li>• 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.</li> </ul>
Whitehorse City Council ("Council")	The entire Whitehorse City Council organisation, including Councillors and Council Officers.

## 8. RELATED POLICIES & LEGISLATION

Council's procurement activities are carried out to the professional standards required by best practice and in compliance with the following relevant policies and legislation, including any subsequent amendments:

- Local Government Act 2020 (Vic)
- Local Government (Planning and Reporting) Regulations 2020
- Victorian State Government's "Competitive Neutrality Policy" dated September 2012
- Charter of Human Rights and Responsibilities Act 2006 (Vic)
- Occupational Health and Safety Act 2004
- Modern Slavery Act 2018 (Cth)
- Gender Equality Act 2021
- Fair Work Act 2009
- Environment Protection Act 2017
- Emergency Management Act 2013
- Privacy and Data Protection Act 2014;
- Public Records Act 1973;
- Goods Act 1958
- National Competition Policy.
- Competition and Consumer Act 2010 (Cth).
- Employee Conduct Policy.
- Councillor Code of Conduct.
- Working with Children Act 2005 and Working with Children Regulation 2016
- Risk Management Plan
- Risk Management Framework
- Project Risk Management Plan
- Municipal Emergency Management Plan (MEMP)
- Supplier Code of Conduct
- Corporate Credit Card Policy
- Performance Management Policy
- Fraud and Corruption Policy



- Councillor Gift Policy
- Staff Expenses Policy
- Child Wellbeing and Safety Policy
- Building & Construction Industry Security of Payment Act 2002;
- Local Government (Governance and Integrity) Regulations 2020;
- Local Government (Planning and Reporting) Regulations 2020; and
- Other relevant Australian Standards or legislation.

## **9. SUPPORTING PROCEDURES AND GUIDELINES**

- Procurement Operations Manual
- Procurement and Contract Management System (P&CMS)
- Victorian Local Government Best Practice Guidelines 2024.
- Complaints Policy
- LGA 2020 - Confidential Information