

Procurement Policy

Date authorised by Council: 11 June 2025

Commencement date: Adopted by Council 11 June 2025

Review date: At least once during each 4-year term of Council

Responsible department: Business Transformation

1 Introduction

Section 108 of the *Local Government Act 2020* (Act) requires councils to adopt a Procurement Policy applicable to the purchase of goods and services and specify:

- Thresholds for competitive Tender.
- Criteria used to evaluate whether a contract provides value for money.
- Description on how a council will seek to collaborate with councils and public bodies.
- Conditions under which a council may purchase goods and services without a public tender or Expression of Interest (EOI).
- Description of the process to be undertaken in inviting a public tender or EOI.

It is a requirement that the policy is reviewed at least once during each 4-year term of the Council.

2 Context

The purpose of this Procurement Policy (Policy) is to:

- Provide a procurement framework for the Council to achieve value for money in the procurement of goods and services, including for carrying out of works.
- Assist in advancing the Council's sustainability and social objectives.
- Ensure continuous improvement in the provision of services for the community.
- Ensure that Council resources are used efficiently and effectively and for the benefit of the municipal community.

2.1 Alignment

The Council's procurement activities shall be carried out to the professional standards in accordance with best practice and in compliance with the Act and applicable policies and procedures including Codes of Conduct for Councillors, Council Staff and suppliers.

Compliance will be monitored by the Council's Procurement Team and minor issues identified will be addressed by Council Staff in leadership positions. Where required, serious compliance issues will be reported by the CEO to the Audit and Risk Committee and Council.

All Council policies comply with the Victorian Charter of Human Rights and Responsibilities.

This Policy has clear linkages to a range of codes, charters, legislation and Council documents, including:

- [Local Government Act 2020](#)
- Procurement procedures and guidelines
- Purchasing and accounts payable manuals
- Codes of Conduct and associated policies
- Contract management guidelines

Compliance with relevant Federal or State legislation including but not limited to, [Competition and Consumer Act 2010](#), Goods Act 1958, Fair Work Act 2009, Workers Screening Act 2020, Child

Wellbeing and Safety Act 2005 and the Environment Protection Act 1970 and Environment Protection Act 2017 and other relevant Australian Standards.

2.2 Organisational Context

This Policy and procurement functions sets the direction of procurement governance, processes and procedures. The Policy applies to Councillor, Council Staff and any persons undertaking procurement on behalf of Council and the principles of the Policy must be complied with when undertaking contracting and procurement activities for goods and services.

The scope of the Policy commences from when Council has identified a need for procurement and continues through to the delivery or completion of the awarded contract, the management of the contract and contract closing.

It is recognised this Policy will enhance achievement of the Council's objectives such as sustainable and socially responsible procurement, supporting local economies and obtaining value for money, leading to a better result in the provision of goods, services and works for the benefit of the community.

In all cases, Council staff are responsible for complying with the Policy. Non-compliance with the Policy may result in a 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.

3 Objectives

The objective of this Policy is for all procurement activities of Council to be conducted in an honest, competitive, fair and transparent manner, while delivering value for money outcomes, with consideration of Council's social, economic and environmental factors. The Policy also seeks to generate and support local and social businesses through inclusion where practical.

4 Policy details

4.1 Procurement principles

Council will apply the following fundamental best practice principles to procurement, irrespective of the value and complexity of that procurement:

- Value for money;
- Sustainability (economic, social and environmental);
- Open and fair competition;
- Accountability;
- Risk management;
- Ethics, probity and transparency; and
- Market testing.

4.2 Treatment of GST

All monetary values stated in this policy are inclusive of GST unless specifically stated otherwise.

4.3 Conflict of Interest

Members of staff (and all persons engaged in procurement on Council's behalf) must exercise the highest standards of integrity in a manner able to withstand the highest level possible of scrutiny. All members of staff have an overriding responsibility to act impartially and with integrity, declaring and managing conflicts of interest. In all procurement matters, all Council staff:

- Must complete and lodge a Disclosable Interests and Confidentiality Declaration if engaged in the evaluation of quotations or tenders.
- Must disclose a general or material conflict of interest (sections 127 and 128 of the Act) and the type of interest before providing advice or reports where it could be perceived that an interest might unduly influence them.
- Those who have been delegated Council powers, duties or functions are prohibited from exercising those powers, duties or functions if they have a conflict of interest.
- Council staff must declare to their Director any items delivered to Council which were not part of the requirements of the contract and which could be construed as gifts or new assets to Council. Such items must also be referenced on supplier invoices.

In procurement matters, all Councillor's:

- Must avoid conflicts between their public duties as a Councillor and their personal interests and obligations.
- Must not improperly direct or improperly influence a member of Council staff in the exercise of any power or in the performance of any duty or function.

In procurement matter, suppliers:

- must avoid actual, potential or perceived conflict of interest.

4.4 Internal controls

All persons engaged in procurement processes must follow the established framework of internal controls over the procurement processes in order to ensure:

- More than one person is involved in, and responsible for each transaction
- Transparency in the procurement process;
- Clearly documented audit trail exists;
- Appropriate authorisations are obtained and documented;
- Systems are in place for appropriate monitoring and performance measurement; and
- A process is in place for escalation, where appropriate, of procurement matters (including procedural non-compliance) to the Executive Leadership Team, the Audit and Risk Committee and Council.

4.5 Commercial in Confidence Information

Commercial in Confidence information received by the Council must not be disclosed and is to be stored in a secure location.

4.6 Complaints & Reporting suspicious activities

Complaints Handling

Members of the public and suppliers, are encouraged to report known or suspected incidences of improper conduct to the CEO. Councillors and Council Staff will report and manage complaints in accordance with Council's internal policies and processes.

Reporting Suspicious Activities

All Councillors, Council Staff and Council suppliers are required at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. Council is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal benefits (financial or otherwise).

Council will take all reasonable steps to protect those who assist Council by providing information about suspected fraud. This will include confidentiality of identity and protection from harassment, to the extent possible.

Suspected improper conduct, offers of bribes, commissions and any other irregular approaches from suppliers, prospective suppliers or other individuals will be investigated and reported in accordance with Council's internal policies and processes.

The CEO must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring or having occurred in accordance with mandatory reporting requirements under the *Independent Broad-based Anti-Corruption Commission Act 2011*.

4.7 Governance

Council has delegated a range of powers, duties, and functions to the CEO in relation to procurement. The delegation aims to ensure that the Council's procurement structure operates according to processes that:

- 5 Are flexible enough to procure in a timely manner the diverse range of goods, works and services required by Council;
- 6 Guarantee that prospective contractors and suppliers are afforded an equal opportunity to tender or submit a quotation; and
- 7 Encourage competition and collaboration, even where the CEO runs a procurement process under delegation.

4.8 Procurement Methodology

The procurement methodology is dependent on the value threshold and/or risk of the purchase as shown below. The value threshold to determine the methodology is the total accumulated spend for the procurement including any anticipated variations for the procurement activity.

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 used for all procurements valued at \$350,000 and above (incl. GST) for goods, services or works.

For procurements under \$350,000 (incl. GST), the procurement methodology and thresholds are detailed below.

Requirement for tenders, proposals, and quotes

Council will invite tenders, proposals, quotes, and expressions of interest from the supply market for goods, services and works in accordance with the thresholds listed below:

Procurement Threshold Incl. GST	Procurement Methodology
<\$1,000	<ul style="list-style-type: none"> One informal (screenshot, email or verbal) quotation or written quote. Consideration should be given to local, social and/or First Nations suppliers depending on availability.
\$1,001 - \$15,000	<ul style="list-style-type: none"> Seek at least one written quotation. Consideration should be given to local, social and/or First Nations suppliers depending on availability.
\$15,001 - \$50,000	<ul style="list-style-type: none"> Seek at least two written quotations. A minimum of one local or social or First Nations supplier must be invited, depending on availability.
\$50,001 - \$100,000	<ul style="list-style-type: none"> Obtain a Contract Number. At least three written quotes are to be invited from suppliers who are considered able to meet the requirements. Where less than three quotes are received from those invited, value for money must be demonstrated. Quotations process to consider sustainability principles (social, economic, and environmental). <p>A minimum of one local or social or First Nations supplier must be invited, depending on availability.</p>
\$100,001 - \$350,000	<ul style="list-style-type: none"> Obtain a Contract Number. Undertake a formal Request for Quote process (seeking a minimum of three written quotes) by following the process within Council's eTendering Portal. Where less than three quotes are received from those invited, value for money must be demonstrated. Quotations process to consider sustainability principles (social, economic, and environmental). A minimum of one local or social or First Nations supplier must be invited, depending on availability.
\$350,000+	<ul style="list-style-type: none"> A Public Tender Process is required for the procurement of goods, services and works where once- off or ongoing cumulative spend over the life the contract is expected to exceed \$350,000.

Measures which intentionally seek to avoid the requirement of the procurement thresholds, for example, contract splitting, purchase order splitting or placing multiple orders, seeking multiple quotations with a single supplier or engaging in effect a single supplier under different guises, are considered to be a breach of this Policy.

Cumulative Spend

It is recognised that certain goods, services or works of the same or a similar kind will be purchased from the same provider under separate arrangements on a regular basis. This will give rise to cumulative spend. In those circumstances, the procurement thresholds set out above must be considered.

The threshold to determine the procurement approach must allow for the potential accumulated spend with the supplier across the same project or initiative across a period of three years. The value of the accumulated spend determines the procurement approach.

4.8.1 Exemptions to the Procurement Methodology

The following authority must be used for exemptions to the procurement methodology where the exemption is justified:

- Directors and CFO can sign off on exemption from quotations up to the public tender threshold;
- CEO can approve situations where there is an emergency as defined in the definitions section of this policy
- CEO can sign off on exemptions where the procurement methodology (section 4.8) and/or compliance requirements are not met

The following circumstances are exempt from the general publicly advertised tender, quotation, and expression of interest requirements.

Exemption Name	Explanation, limitations, responsibilities, and approvals
A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party.	<p>This general exemption allows engagements:</p> <ul style="list-style-type: none">• 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 <p>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).</p>
Extension of contracts while Council is at market	<p>Allows Council 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.</p> <p>This exemption may be used when the establishment of an</p>

	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	Legal Services & Insurance
Novated Contracts	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	Allows Council 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	Situations where a Regional Waste and Resource Recovery Group constituted the Environment Protection Act 1970 had already conducted a public tender for and on behalf of its member councils.
Statutory Compulsory Monopoly Insurance Schemes	Motor vehicle compulsory third party WorkCover
Operating Leases	Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the vehicle.
Sole supplier	Any procurement where a supplier is a monopoly, Services Authorities (water, gas, telecommunications, electricity) or has sole ownership or rights over a service, assets or goods and its use, or is mandatory for use by Council or subscriptions and professional memberships.
First Nation Businesses	Direct appointment of suitable First Nations businesses where the value of the expenditure does not exceed \$350,000
Local Businesses	Direct appointment of local businesses where the value of the expenditure does not exceed \$50,000

4.9 Contract Variations

All contract variations must be assessed to determine whether they are properly characterised as variations, or whether they are in effect a new contract. This will depend on factors like:

- The monetary value of the proposed variation, i.e., the value of the variation in the context of the thresholds fixed by the Procurement Policy; and
- The subject matter of the proposed variation, and whether it is consistent with the scope of the original contract.

4.10 Contract Extensions

Delegation approval must be obtained from the relevant financial delegate before exercising the contract extension option(s), prior to the contract expiring. Contracts should have a defined end date, and automatic renewal (evergreen) contracts will not be permitted.

4.11 Panel Contract Arrangements

Where a Panel has been established through a procurement process, Council Staff are required to purchase services from the Panel. Council Staff may not purchase services from suppliers not on the Panel, unless a case for going outside the Panel can be justified.

State Government Registers

For building and construction works, where there are suitable building, and construction industry contractors or consultants on the Construction Supplier Register (CSR) maintained by the Department of Treasury and Finance for and on behalf of the State Government, staff are required to seek a minimum of three quotes (if the expenditure is expected to exceed \$350,000) from suppliers on the register in accordance with ministerial approval arrangements and applicable Procurement guidelines. Standard quotes processes then apply as outlined in the Procurement guidelines.

Other State Government Registers e.g., e-services register, and Ministerial Approved Arrangements.

4.12 Public Tender Requirements

All public tenders invited by the Council will be published via Council's eTendering Portal and may be advertised in the media. This can include communication channels most used by diverse communities and businesses (e.g., First Nations Media).

Tender Evaluation

A tender evaluation panel will be established to evaluate each tender submission against the tender's selection criteria. Tender evaluation panels can include external personnel in order to ensure the best outcome for a procurement activity and must comprise of at least 3 persons including a chairperson.

A detailed Tender Evaluation/Procurement Plan shall be developed, approved, and strictly adhered to by that panel. Amongst other things, this involves the establishment of more detailed evaluation criteria (i.e., than those published with the tender) and the application of a pre-approved and robust weighted scoring system.

The Tender Evaluation/Procurement Plan should be completed and signed off prior to the tender being issued.

Evaluation Criteria

The Council may include the following evaluation criteria categories to determine whether a proposed contract provides value for money:

- Mandatory Compliance criteria (e.g., ABN registration, OH&S, Fair Work Act);
- Tendered price – a cost weighting for evaluation of 50%. Should a requirement for weighting be lower or higher than 50%, Procurement unit manager and relevant director

must approve the change as a part of the procurement and probity plan;

- Capacity of the Tenderer to provide the goods and/or services and/or works;
- Capability of the Tenderer to provide the Goods and/or Services and/or Works; and
- Demonstration of sustainability (social, economic, and environmental).

For major construction contracts greater than \$3 million

Council is committed to providing employment opportunities to youth employment (aged 15 to 24). For construction tenders with an estimated value of greater than \$3 million, suppliers are required to specify the number of youth employment opportunities both in full-time equivalent and in dollar spend this contract will create. Local employment opportunities will be looked at favourable, however is not mandatory.

Probity Advisor and Probity Auditor

A probity advisor may be appointed in the following circumstances:

- where a proposed contract is considered by Council or the CEO to be particularly complex, of a high risk or controversial nature, and requiring a high level of public confidence; or.
- Where proposed contract sum is \$10m for individual projects, not including panel arrangements; or.
- Where the Unit Manager Procurement or Chief Financial Officer sees the need.

A probity auditor may be appointed to review a completed procurement process or activity.

4.13 Collaborative Procurement

In accordance with section 108(c) of the Act, the Council will give consideration to collaboration with other Councils and public bodies or utilise Collaborative Procurement Arrangements, when procuring goods, services and works in order to take advantage of economies of scale.

Where practicable, Council will collaborate with other councils in order to take advantage of economies of scale, explore service design best practice, shared service opportunities and services plus drive innovation with suppliers. Opportunities to collaborate must be identified within the Procurement Plan.

4.14 Contract Management

In order to continually improve its procurement and contract management processes and outcomes, Council will evaluate and seek to improve on all aspects of procurement and contract management, in accordance with its documented procurement processes and Contract Management Guidelines.

Good contract management ensures goods, services and works are delivered to the required standards of quality and quantity as intended by the contract through:

- Establishing a system monitoring and achieving the responsibilities and obligations of all parties under the contract;
- Providing a means for the early recognition of issues and performance problems and the identification of solutions;
- Adhering to the Council's risk management framework and relevant Occupational Health and Safety and sustainability requirements.

Council contracts are to include contract management requirements commensurate with the complexity of the procurement. Furthermore, contracts are to be proactively managed by the

member of Council Staff responsible for the delivery of the contracted goods, services or works to ensure the Council and therefore the community, receives value for money.

Council awards some contracts that are strategically critical and of relatively high value.

4.15 Demonstrate Sustained Value

Achieving Value for Money

Achieving value for the money is the core rule of purchasing decisions. Council staff responsible for a procurement must be satisfied after reasonable enquiries, that the procurement achieves a value for money outcome. Lowest price is not the sole determinant of value for money. Council staff must consider the relevant financial and non-financial costs and benefits of each submission including, but not limited to the:

- Fitness for purpose of the product and service;
- Quality of the goods and services;
- Service and support;
- Whole-of-life costs;
- Potential supplier's relevant experience and performance history; and
- Environmental sustainability of the proposed goods and services (such as energy efficiency, climate change impact, environmental impact, circularity of the goods and services and use of recycled materials).

4.16 Environment, Social and Governance (ESG) Procurement Considerations

Merri-bek City Council aims to use procurement processes to drive sustainability, using our buying power to make a difference beyond the financial value of the goods and services we purchase. We aim to contribute to a fair, inclusive, economically, environmentally and socially sustainable community for all, via our suppliers and supply chain, supporting the targets and measures established by Council.

The framework contains the following areas and priorities:

Environmental Sustainability - aiming to promote sustainable business practices by:

- Reducing air, water and soil pollution, greenhouse gas emissions, waste production, natural resource depletion and biodiversity depletion where they present an acceptable Value for Money outcome, and in some cases where they might not.
- Stimulating a circular economy by collaborating with existing and new suppliers to improve environmental management to deliver long-term circular economy practices;
- Ensuring suppliers carry out practices that support biodiversity and climate resilience.

Social Sustainability - aiming to elevate the inherent social value of doing business, by:

- Increasing employment opportunities for First Nations people and businesses to address inequity and strengthen their role in the Victoria economy

- Increasing employment opportunities for people experiencing social and economic exclusion or disadvantage, including but not limited to a disability, refugees, disadvantaged people and long term unemployed
- Promotion of equity, diversity and equal opportunity
- Ensuring suppliers do not exploit workers and provide fair wages, including business practices
- Respect for human rights, and the rule of law and international norms of behaviour

Governance - aiming to work with suppliers whose business practices meet legislative requirements and whose principles align with our own, by:

- Ensuring suppliers support safe workplaces including Occupational Health and Safety, compliance with Modern Slavery and Child Wellbeing and Safety legislation where required;
- Ensuring suppliers support a Fair workplace including gender equality and diversity, equal opportunities and National Employment Standards;
- Committing to procurement that supports local businesses and economic diversity.

To create a scalable approach and maximise value and outcomes, each procurement activity will align to the most achievable and realistic priorities for that situation. Governance priorities, supporting safe and fair workplaces are overarching principles considered in all procurements. An Evaluation weighting at a minimum of 10 per cent for sustainability will apply to all public tender procurement activities.

Merri-bek City Council recognises its obligations under the Victorian Charter of Human Rights and Responsibilities Act 2006 and Australia's International Human Rights treaty commitments and respects, protects and promotes human rights when making procurement decisions.

4.17 Compliance requirements

Child Safety and Wellbeing

Council is committed to being a child safe organisation and has zero tolerance for child abuse. All children and young people have the right to be and feel safe and their safety and wellbeing is the responsibility of everyone.

The requirement to comply with child safety requirements will form part of the procurement specifications. Depending on the nature of the services, the prospective service provider may need to provide Working with Children Checks and demonstration of the arrangements in place to meet compliance with the Child Safe Standards and Council's Child Safety and Wellbeing Policy.

Modern Slavery Act 2018 (Cth) Disclosure

Council is committed to combating modern slavery in its operations and supply chain. Service providers will be required to complete a modern slavery questionnaire to demonstrate that they have processes/ procedures to reduce the risk of modern slavery in their supply chain. Service providers who do not comply will be considered being outside Council's supply chain risk appetite and shall be excluded.

Other compliance items

Our procurement approach excludes procuring with companies whose main business is or specialises in:

- Gambling industry;
- Coal mining, including the development of coal mines;
- Onshore or offshore detention of refugees and people seeking asylum in Australia;
- Weapons used in war and to harm civilians

5. Roles and responsibilities

Who	Responsibility
All Council staff and all persons undertaking procurement on behalf of Council	Complying with this Policy and internal procedures and/or guideline documents
Procurement Unit Manager	<ul style="list-style-type: none">• Administer and monitor compliance with this policy• Review and update this Policy as needed and in alignment with the <i>Local Government Act 2020</i>
Chief Executive Officer	Must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring or having occurred in accordance with mandatory reporting requirements under the <i>Independent Broad-based Anti-Corruption Commission Act 2011</i> .

6. Monitoring, Evaluating and review

In accordance with the Act, Council will review its Procurement Policy at least once during each 4-year term of the Council.

7. Definitions

Term	Definition
Act	Local Government Act 2020 .
Circular Economy	An approach to the delivery of projects and services aimed at eliminating waste creation through their use of materials and products. The products and materials are kept in use for as long as possible through processes such as sharing, leasing, reuse, repair, refurbishing, and recycling.
Circularity	• Buildings and fit-outs use less materials, minimise waste, can be deconstructed and reused, are designed for adaptability and flexibility

	<ul style="list-style-type: none"> • Goods are durable, repairable, reusable, recyclable • Goods have been refurbished or existing goods are reused • Goods contain recycled content/recycled materials • Goods are recycled at the end of useful life • Goods are returned for resource recovery through a take-back or end-of-life scheme • Goods are available for lease, rent or product-as-a-service as an alternative to buying outright
Collaborative Procurement Arrangement	A contract established by the Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV), Northern Region Group of Councils or local government entity, for the benefit state, federal and/or local government entities that achieves best value by leveraging combined economies of scale.
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.
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.
Council	Merri-bek City Council
Councillors	Council's elected representatives (the Mayor and Councillors) or Administrator(s) appointed to act in this capacity.
Council Staff	Includes all Council officers, temporary employees, contractors, volunteers, and consultants while engaged by Council.
Embodied emissions	All greenhouse gas emissions that are released as part of creating and making a product for use. This is also referred to as 'embodied carbon'.
Emergency	A sudden or unexpected event requiring immediate action including but not limited to the occurrence of a natural disaster, flooding or fire event at a Council property; the unforeseen cessation of trading of a core service provider; any other situation which is liable to constitute a risk to life or property or business continuity
Probity Advisor	An external independent advisor who is appointed to provide advice and may produce a Probity Report at the end of the procurement process to provide verification, or detail reservations about whether that the procurement process was conducted in accordance with relevant Laws, Policies and Procedures.

	Further, they will evaluate whether value for money, compliance, a competitive process, fairness and impartiality, consistent and transparent processes, security and confidentiality and conflicts of interest, were judiciously managed.
Probity Auditor	<p>An external independent advisor who is appointed to audit a procurement process and provide advice. They may produce a Probity Report at the end of the audit, detailing their findings and recommendations in accordance with relevant Laws, Policies and Procedures.</p> <p>Further, they will evaluate whether value for money, compliance, a competitive process, fairness and impartiality, consistent and transparent processes, security and confidentiality and conflicts of interest, were judiciously managed.</p>
First Nations	Refers to Aboriginal and Torres Strait Islander people.
First Nations Business	A First Nations Business is one that is at least 50% owned by a First Nations person(s) (consistent with Supply Nation's definition).
First Nations Procurement Target	A 1% procurement target will be calculated as the number of First Nations businesses the department enters into purchase agreements (Contracts and Purchase Orders) with, divided by the number of small to medium enterprises (SMEs) that Council enters into Contracts and Purchase Orders with.
IBAC	The Independent Broad-based Anti-corruption Commission
Local Business	A commercial business with an operational premises that is physically located within the municipal borders of the 7 Northern Regional Councils.
Northern Councils Alliance (NCA)	The 7 Councils comprising the NCA, being the Cities of Banyule, Darebin, Hume, Merri-bek and Whittlesea and Mitchell and Nillumbik Shire Councils.
Panel	<p>A panel contract is a form of standing offer, established with multiple suppliers for the anticipated provision of goods or services as and when required over a specified period of time. Panels can be open or closed.</p> <p>Open panels - can accept new suppliers at certain times during the contract period.</p> <p>Close panel - Is restricted to supplier(s) who were successful to the panel at the start of the contract.</p>
Probity	Within government, the term "probity" is often used in a

	<p>general sense to mean "good process". A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation, are established, understood, and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.</p>
Procedure	<p>The procedures manual, procurement and contract management guidelines that support this policy.</p>
Procurement	<p>Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.</p>
Schedule of Rates Contract	<p>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.</p>
Small to medium enterprise (SMEs)	<p>An actively trading business with less than 200 employees</p>
Social sustainability or enterprise	<p>Social sustainability focuses on the social aspects of sustainability and social equity; addressing disadvantage and is underpinned by the principles of human rights that encompass respect for diversity. This is exemplified by acceptance, fairness, compassion, inclusiveness, and access for people of all abilities. A focus is also placed on people who are under-represented and with less opportunity.</p>
Sustainable Development	<p>Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.</p>
Sustainable Procurement	<p>Sustainable procurement looks beyond the up-front cost to make purchasing decisions based on the entire life cycle of the goods and services, taking into account associated costs, environmental and social risks and benefits, and broader social and environmental implications.</p>
Tender Process	<p>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 or tenderer in accordance with pre- determined evaluation criteria.</p>
Total Contract Sum	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options for either party to extend the contract; • applicable goods and services tax (GST); • anticipated contingency allowances or variations;

	all other known, anticipated and reasonably foreseeable costs.
Value for money	<p>Value for money in procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> • Non-cost factors such as contribution to the advancement of Council's priorities, fitness for purpose, quality, service, and support; and • Cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining, and disposing of the goods, services or works.

8. Associated and Reference Documents

Associated documents

- Councillor Code of Conduct
- Employee Code of Conduct
- Gifts, Benefits and Hospitality Policy for Employees and Agents
- Councillor Support, Expenses and Resources Policy
- Travel, Accommodation and Personal Expenses Policy for Council Employees
- Councillors Travel, Accommodation and Personal Expenses Policy
- Corporate Credit and Purchasing Card Policy
- Fraud and Corruption Control Policy
- Child Safety and Wellbeing Policy
- S7 Instrument of Sub-Delegation by the Chief Executive Officer to Council staff
- S5 Instrument of Delegation by Council to the Chief Executive Officer
- Risk Management Policy
- Merri-bek Human Rights Policy

Reference documents

- Local Government Act 2020
- Competition and Consumer Act 2010
- Goods Act 1958
- Fair Work Act 2009
- Workers Screening Act 2020
- Child Wellbeing and Safety Act 2005
- Environment Protection Act 1970
- Environment Protection Act 2017
- ISO 31000:2009 Risk Management – Guidelines
- Australian Standard AS 5334 Climate Change Adaptation for Settlements and Infrastructure
- Victorian Local Government Best Practice Procurement Guidelines – MAV
- Sustainable Procurement Guide and Environmentally Sustainable Procurement Policy - Department of Climate Change, Energy, the Environment and Water
- Sustainability Victoria: <https://www.sustainability.vic.gov.au/circular-economy-and-recycling/for-councils-and-other-waste-recycling-operators/buy-circular-service/standards-and-specifications>