

HOBSONS
BAY CITY
COUNCIL



Hobsons Bay Procurement Policy

2021 Version 1.0

Acknowledgment of Country

Council acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners of these municipal lands and waterways, and pay our respects to Elders past, present and emerging.

Contents

Introduction	5
Background	5
1. Purpose	5
2. Effective legislative and policy compliance and control	6
2.1. Ethics and probity	6
2.2. Tender processes	6
2.3. Conduct of Councillors and Council officers.....	6
2.4. Conflict of interest	6
2.5. Fair and honest dealing	7
2.6. No canvassing	7
2.7. Accountability and transparency	7
2.8. Disclosure of information.....	8
2.9. Governance	8
2.9.1. Structure.....	8
2.9.2. Standards	8
2.9.3. Methods.....	9
2.9.4. Responsible financial management.....	9
3. Demonstrate value for money	9
3.1. Integration with Council Plan.....	9
3.2. Achieving value for money	9
3.2.1. Requirement.....	9
3.2.2. Approach.....	10
3.2.3. Collaborative procurement	10
3.3. Procurement thresholds.....	10
3.3.1. Tender	10
3.3.2. Public tender requirements.....	11
3.3.3. Evaluation criteria	11
3.3.4. Exemption from public tender.....	12
3.3.5. Expenditure threshold.....	15
3.4. Delegation of authority	15
3.4.1. Requirements	15
3.4.2. Delegations	15

3.5. Internal controls	16
3.6. Commercial information	16
3.7. Risk management	16
3.7.1. General.....	16
3.7.2. Supply by contract.....	16
3.8. Probity auditor or advisor	17
3.9. Contract terms	17
3.10. Dispute resolution	17
3.11. Contract management	17
4. Sustainability	18
4.1. General	18
4.2. Sustainable procurement goals.....	18
4.2.1. Acquisition of single-use plastic products	18
5. Diversity.....	19
6. Support of local business	19
7. Social procurement	19
8. Build and maintain supply relationships	20
8.1. Developing and managing suppliers	20
9. Continual improvement.....	20
10. Review date.....	21
11. Further information	21
12. Document control	22
13. Version history.....	22

Introduction

Procurement is the process through which an organisation establishes contracts for goods, services, works and utilities. Procurement starts with an identified need and seeks to put in place a contract or contracts which effectively meet the need. This involves research, planning and market engagement, conducting procurement activities such as tenders and quotations, the formal awarding of contracts and the management and monitoring of contracts once in place.

Background

Developing a procurement strategy and adopting best practice contracting and procurement principles, policies and procedures for all goods, services and works purchased by Council will enhance the achievement of Council's objectives. Elements of best procurement practices applicable to local government incorporate:

- broad principles and guidelines covering ethics and value for money
- responsibilities and accountabilities
- a system of delegations (i.e. the authorisation of Council officers to approve and undertake a range of functions in the procurement process)
- procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement
- continuous improvement practices for identifying and implementing initiatives to reduce cost and complexity, and improve productivity and buyer convenience
- a professional approach to all procurement-related activities

1. Purpose

Council is required under section 108 and section 109 of the *Local Government Act 2020* (LG Act 2020) to prepare, approve and comply with a Procurement Policy. In accordance with the LG Act 2020, this policy sets out the key principles, processes and procedures applied to all purchases of services and works by Council.

This policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants while engaged by Council.

Council will comply with the Commonwealth's *Competition and Consumer Act 2010* and other fair trading legislation applicable to its operations. Council is committed to the public policy goals embodied in these laws, which include the protection and promotion of competition.

The purpose of this policy is to:

- provide a procurement framework that seeks to achieve value for money, quality and timeliness through consistent, competitive and transparent processes
- ensure Council practices ethical behaviour in all procurement activity and demonstrates accountability to ratepayers in the manner in which it undertakes spending decisions

- prioritise, where practical, the procurement of environmentally responsible, locally sourced and socially responsible goods and services
- minimise and manage fraud and governance risks in procurement
- work collaboratively with other councils to achieve efficiencies and outcomes which are in line with the Service Performance Principles outlined within the LG Act 2020

Council must comply with this Procurement Policy before entering into any contract for the purchase of goods or services or the carrying out of works.

2. Effective legislative and policy compliance and control

2.1. Ethics and probity

Council's procurement activities will be performed with integrity, transparency and in a manner able to withstand the highest possible scrutiny.

2.2. Tender processes

All tender processes will be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the LG Act 2020.

2.3. Conduct of Councillors and Council officers

Council officers (and all persons engaged in procurement on Council's behalf) must exercise the highest ethics and standards of integrity in a manner able to withstand the highest possible scrutiny.

All Council officers have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest in accordance with sections 127 and 128 of the LG Act 2020.

In addition, section 130 of the LG Act 2020 requires Council staff to disclose any general or material conflict of interest in regard to the procurement of goods, services and works on behalf of Council.

At all times Councillors, Council officers and other persons undertaking procurement on Council's behalf must:

- conduct themselves ethically and with integrity
- comply with the Hobsons Bay Gifts, Benefits and Hospitality Policy
- declare and effectively manage real, perceived and potential conflicts of interest
- maintain confidentiality and security of information
- comply with the Hobsons Bay Councillor Code of Conduct or the Employee Code of Conduct as applicable

2.4. Conflict of interest

Councillors and Council officers must avoid situations in which private interests conflict, have the potential to conflict or might reasonably be thought to conflict with their Council duties.

Councillors and Council officers involved in any procurement process and/or tender process including but not limited to writing tender specifications, tender opening, and tender evaluation panels, must:

- avoid actual, potential or perceived conflicts arising between their official duties and their private interests. Private interests include the financial and other interests of Councillors and Council officers, their relatives and close personal or professional associates
- declare any situation or relationship that may contribute an actual, potential or conflict of interest. Where future conflicts or relevant private interests arise, Council officers must make the Procurement team aware and allow them to decide whether the officer should continue to be involved in the specific Procurement exercise
- observe prevailing Council and Governance guidelines and policy on how to prevent or deal with conflicts of interest and not take advantage of any tender-related information

2.5. Fair and honest dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or submit a quotation or proposal.

Impartiality must be maintained throughout the procurement process so that it can withstand public scrutiny. The commercial interests of existing and potential suppliers must be protected. Confidentiality of information provided by existing and prospective suppliers must always be maintained, particularly commercially sensitive material such as, but not limited to, prices, discounts, rebates, profit, manufacturing and product information.

2.6. No canvassing

Any tenderer who canvasses, lobbies or seeks to influence a Councillor or a Council officer will be disqualified.

2.7. Accountability and transparency

Accountability in procurement means being able to explain and provide evidence on the process followed. The test of accountability is that an independent third party must be able to see clearly what process was followed and that the process was fair and reasonable.

The processes by which all procurement activities are conducted will be in accordance with Council's procurement policies and procedures as set out in this policy and other relevant Council policies and procedures.

Additionally:

- all Council officers must be able to account for all procurement decisions based on value for money made over the lifecycle of all goods, services and works purchased by Council
- all procurement activities must be documented for monitoring and reporting purposes

2.8. Disclosure of information

Commercial-in-confidence information received by Council, Councillors and Council officers must remain confidential and be stored securely in Council's electronic document and records management system.

Councillors and Council officers must take all reasonable measures to maintain the confidentiality of:

- information disclosed by organisations in tenders, quotation or during tender negotiations
- commercial-in-confidence information
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations

Councillors and Council officers are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not exceed the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised, other than authorised pre-contract negotiations.

2.9. Governance

2.9.1. Structure

Council will:

- establish a management responsibility and delegations register detailing the approach to be taken to ensure accountability, traceability and auditability of all procurement decisions and activity
- ensure that Council's procurement approach:
 - is flexible enough to enable the diverse range of material, goods, works and services required by Council to be efficiently purchased
 - supports that prospective contractors and suppliers are afforded an equal opportunity to tender or quote
 - encourages competition and value-for-money outcomes for Council

2.9.2. Standards

Council's procurement activities will be carried out professionally and in compliance with:

- the LG Act 2020
- Council's policies
- Hobsons Bay Councillor Code of Conduct
- Employee Code of Conduct

- other relevant legislative requirements such as but not limited to the Commonwealth's *Competition and Consumer Act 2010* and the Victorian Government's *Goods Act 1958* and the *Environment Protection Act 2017*

2.9.3. Methods

Council will use a variety of standard approaches to the purchase of goods, services or works including:

- under contract following a select or public tender process
- panels of preferred suppliers
- purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds
- using collaborative procurement arrangements
- corporate credit card

Council may, at its discretion and based on the complexity and cost of the given project, conduct one stage or multi-stage tenders.

Typically, a multi-stage tender process will commence with an expression of interest stage, followed by a tender process involving the organisations selected because of the registration state.

2.9.4. Responsible financial management

Responsible financial management shall be applied to all procurement activities. The availability of existing funds within an approved budget or other source of funds shall be established prior to the commencement of any procurement action taking place.

Council officers must not authorise the expenditure of funds in excess of their financial delegations.

Council funds and resources must be used efficiently and effectively to procure goods, services and works without compromising any of the procurement principles set out in this policy.

3. Demonstrate value for money

3.1. Integration with Council Plan

All of Council's procurement activity will support the aims and objectives established within the Council Plan and other applicable policies and procedures.

3.2. Achieving value for money

3.2.1. Requirement

Council's procurement activities will be carried out on the basis of obtaining value for money. This means minimising the total cost of ownership over the lifetime of the purchase. Lowest price is not the sole determinant of value for money, but it is a priority that Council achieves the greatest financial benefit possible for each dollar spent.

Open and effective competition is important to obtaining the best possible outcomes from dealings with suppliers. However, it is acknowledged that current market behaviour and practice does not always result in the best overall outcome for Council.

3.2.2. Approach

Council's approach to the procurement of goods, services and works will:

- develop, implement and manage procurement strategies that support the coordination and streamlining of activities throughout the lifecycle
- effectively use market competition
- use tactical valuation, quantity surveying and quotation processes that help establish pre-tender market baseline values and accurate project cost estimates
- use collaborative procurement opportunities where appropriate
- streamline and simplify procurement processes, governance and timeframes
- tailor delegations to business and operational need rather than organisational hierarchy
- develop cost-efficient tender processes including appropriate use of technology
- ensure that Council officers responsible for providing procurement services or assistance provide competent advice in terms of available products, approaches and agreements

3.2.3. Collaborative procurement

In accordance with Section 108 (3) (c) of the LG Act 2020, Council will consider collaborating with other councils and public bodies or utilising collaborative procurement arrangements when procuring goods, services and works.

Council officers must consider any opportunities for collaborative procurement in relation to a procurement process undertaken by Council.

Collaborative procurement is not limited to collaboration with other councils. Entities such as Municipal Association of Victoria (MAV) Procurement, Procurement Australia and the Victorian or Australian governments may at Council's discretion be considered as potential collaboration opportunities.

The Chief Executive Officer must ensure that any report to Council that recommends entering into a procurement agreement includes information relating to opportunities for collaboration with other councils or public bodies.

3.3. Procurement thresholds

3.3.1. Tender

Where it is in Council's interest to do so, procurement details will be outlined under a relevant contractual arrangement established in accordance with section 108 of the LG Act 2020 and this procurement policy.

In every procurement activity, all practicable efforts will be made to consider sustainable procurement options in accordance with section 4 of this procurement policy.

Document Name: Hobsons Bay City Council Procurement Policy v1.0

Document Type: Council-endorsed policy

Document Owner: Chief Financial Officer

Pursuant to section 108 of the LG Act 2020, a public tender process must be used for all procurement valued at \$300,000 (GST inclusive) and above for goods, services or works where:

- the total combined expenditure across Council exceeds the threshold with the same supplier over one financial year
- the combined expenditure over the full term of contract exceeds the threshold

A formal written contract must be entered into between the contractor/supplier and Council for any awarded tender.

A tender request may be structured to include a number of tender options within the pricing schedules. This can result in the project being awarded to one or more contractors. The financial delegation approval process in these instances will be based on the aggregate spend of the project rather than treating each project as a separate contract.

3.3.2. Public tender requirements

All public tenders invited by Council to tender may be published via Council's online tendering portal and/or advertised in the media.

Information regarding current and awarded tenders will be published on Council's website.

3.3.3. Evaluation criteria

The tender selection criteria and weighting for each criterion will be agreed by the Tender Evaluation Panel and documented prior to the issue of tender requests.

Council may include, but is not limited to, the following mandatory and assessable criteria categories to determine whether a contract determines value for money.

3.3.2.1 Mandatory evaluation criteria

- compliance to Council's Conditions of Contract
- registered builder
- occupational Health and Safety Policy and Procedures
- minimum qualifications and experience
- licenses
- public and professional indemnity insurance

3.3.2.2 Assessable evaluation criteria

- tendered price
- past performance and experience
- project methodology
- technical skills
- 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

- financial viability
- demonstration of sustainability
- local economic contribution

3.3.4. Exemption from public tender

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

Exemption	Explanation, limitations, responsibilities and approvals
1. A contract made because of genuine emergency or hardship	Where approved by the Chief Executive Officer that the contract must be entered because of an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.)
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>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 • in reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, such as MAV or National Procurement Network members (e.g. Local Buy) or Procurement Australia.
3. A supplier mandated by government	<p>Supplier mandated by state or federal government being:</p> <ul style="list-style-type: none"> • Australia Post (postal services) • Victorian Electoral Commission and Australian Electoral Commission (electoral services) • public street lighting and maintenance services

Exemption	Explanation, limitations, responsibilities and approvals
	<ul style="list-style-type: none"> • VicRoads (road authority) • Greater Western Water (water authority) • Major Transport Infrastructure Authority
<p>4. Extension of contracts while Council is at market</p>	<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 interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive or present a risk in the delivery of critical public services to the municipality.</p>
<p>5. Professional services unsuitable for tendering</p>	<ul style="list-style-type: none"> • legal services • insurance
<p>6. Novated contracts</p>	<p>Where the initial contract was entered in compliance with the LG Act 2020 and due diligence has been undertaken in respect to the new party.</p>
<p>7. Information technology resellers and software developers</p>	<p>Allows Council to renew software licenses and maintenance and support, or upgrade existing systems, where there is single supplier who holds the intellectual property rights to the software used by Council.</p>
<p>8. Regional Waste and Resource Recovery Groups</p>	<p>Situations where a Regional Waste and Resource Recovery Group constituted under the <i>Environment Protection Act 1970</i> had already conducted a public tender for and on behalf of its member councils.</p>
<p>9. Statutory compulsory monopoly insurance schemes</p>	<ul style="list-style-type: none"> • motor vehicle compulsory third party • superannuation • WorkCover

Exemption	Explanation, limitations, responsibilities and approvals
10. 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.
11. Loan borrowings	Allows Council to procure loan borrowings while maintaining a requirement to obtain a competitive interest rate and the best financial outcome for Council.
12. Traditional Owners	Engagement of Traditional Owners where the primary purpose of the procurement activity is to gather information relating to Aboriginal culturally sensitive issues, including land management considerations pursuant to the <i>Aboriginal Heritage Act 2006</i> .
13. Strategic opportunity/intellectual property	Where approved by the Chief Executive Officer, proposals may be considered that demonstrate value for money without being market tested due to the unique strategic opportunity or innovative idea that will benefit the community through financial, environment or sustainable outcomes.
14. Collaborative opportunities	Where the contract is entered with another council acting as the lead for a group of councils.

Notwithstanding any exemption listed above, the Procurement team will review relevant exemption applications to ensure that exemptions comply with the highest level of procurement integrity.

When an exemption has been approved, a written contract based on standard terms and conditions appropriate to the goods, services or works being provided must still be established in advance of any commitment being made with a supplier. Appropriate insurance and indemnity are also required to be evidenced.

The following are not legitimate reasons to apply for an exemption:

- use of the “emergency” category as a substitute for good project planning
- completion of projects prior to end of financial year. Projects should be well-planned to avoid end of year deadlines
- desire to include only certain suppliers because of previous relationships
- working with and expending Council funds through a community group

3.3.5. Expenditure threshold

To achieve value for money a comparative and evaluative consideration should be applied to every purchase. Council officers will be required to provide evidence of a competitive process for all purchases.

This will include providing supporting documentation to ensure the purchase decision is offering value for money .

In circumstances where the contested comparison of pricing cannot be obtained or is impractical to obtain, Council officers will be required to supply written documentation and managerial approval to proceed with any purchase prior to doing so.

A regular system of random audits will be undertaken by procurement officers to ensure appropriate levels of compliance with the expectation are achieved.

3.4. Delegation of authority

3.4.1. Requirements

Delegations define the limitations within which Council officers are permitted to work.

Delegation of procurement authority allows specified Council officers to approve certain purchases or quotations, tender and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient and timely manner while maintaining transparency and integrity.

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

3.4.2. Delegations

3.4.2.1 Chief Executive Officer

The Chief Executive Officer's delegation, currently \$1 million (GST inclusive), is determined by Council annually under an Instrument of Delegation.

The Chief Executive Officer also has the authority to approve expenditure in relation to statutory payments for insurance premiums and brokering, WorkCover premiums, employee superannuation and loan borrowings that have been included in the annual budget.

3.4.2.2 Council officers

Council will maintain a Financial Authorisation Register to document procurement delegations, identifying the Council staff position authorised to make procurement commitments in respect of goods, services and works on behalf of Council and the value of their respective delegations.

All delegated expenditure levels to the Chief Executive Officer and Council officers are (GST inclusive).

3.4.2.3 Delegations reserved for Council

Commitments and processes which exceed the Chief Executive Officer's delegation and must be approved by Council are:

- the awarding of contracts over and above the Chief Executive Officer's delegation
- contracts awarded under delegated authority will be reported to Council within the Chief Executive Officer's monthly operations report

3.5. Internal controls

Council will establish internal controls over procurement processes to ensure that:

- more than one person is involved in and responsible for any financial transaction to be approved and processed
- transparency in the procurement process is established through auditable evidence
- a clearly documented audit trail exists for all procurement activities
- appropriate authorisations are obtained, documented and controlled
- systems are in place for appropriate monitoring and performance measurement

3.6. Commercial information

Procurement activities will be carried out in a way that supports Council officers to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed and published (where applicable) in accordance with the relevant Council guidelines.

3.7. Risk management

3.7.1. General

Risk management is to be appropriately applied at all stages of the procurement process. This will ensure that all procurement activities are properly planned and carried out to protect and enhance Council's capacity to prevent, withstand and recover from interruption to the supply of goods, services and works.

3.7.2. Supply by contract

The provision of goods, services and works through by contracts potentially exposes Council to risk. Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant and legislative compliant clauses
- requiring security deposits to be taken where appropriate
- implementation of a strategic procurement plan, including a risk management plan for projects in excess of \$5 million

- referring specifications to relevant experts for opinion/advice
- requiring contractual agreements to be executed before allowing the commencement of work or supply of goods
- use of or reference to relevant Australian Standards (or equivalent) to effectively manage the contract, including monitoring and enforcing performance

3.8. Probity auditor or advisor

Probity processes aim to ascertain whether the tender procedures followed are consistent with Council's Policy and procurement procedures. A probity auditor or advisor may be appointed in circumstances where there is an internal bid or a contract of high value or complex nature.

A contract may be considered to be of a complex nature for reasons that are:

- financial – generally considered to be over the value of \$10 million
- political – including protecting the reputation of Council
- technical – departures from standard contractual and legal obligations

3.9. Contract terms

All contractual relationships must be documented in writing based on standard Council terms and conditions.

Terms and conditions of any contract must be settled in advance of any commitment being made with a supplier.

Council officers must not endorse any products or services. Individual requests received for endorsement must be referred to the Director Corporate Services or Chief Executive Officer.

3.10. Dispute resolution

All Council contracts will incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating and the potential for legal action.

3.11. Contract management

The purpose of contract management is to ensure that both parties to an agreement meet their individual obligations as specified in the contract. Council contract supervisors are responsible for the delivery of all specified contractual outcomes that comply with qualitative and quantitative requirements as per the contract by:

- establishing a monitoring system to ensure the responsibilities and obligations of both parties under the contract are met
- providing a means for the early recognition of issues and performance problems and the identification of solutions

- develop and maintain a sound business relationship with relevant suppliers for the duration of any contractual agreement
- innovative methodologies to realise potential cost savings through the encouragement and promotion of continuous improvement in service delivery

All contracts are to include contract management requirements and are to be proactively managed by the Council officer responsible for the delivery of the contracted goods, services or works to ensure the Council, and therefore the community, receives value for money.

4. Sustainability

4.1. General

Procurement decisions will be made based on value for money rather than selecting the lowest price uncritically. In some cases, recycled and environmentally preferable products and materials may be less competitive, but may represent value for money when criteria such as performance, costs over the whole life of the product and impact on the environment are taken into consideration. Other criteria such as availability and compatibility with existing equipment will also be important.

The purchase of recycled and environmentally preferable products should always be considered in the first instance when making a purchasing decision. However, common sense and good judgment need to be used in assessing such purchases where a price premium applies.

4.2. Sustainable procurement goals

Wherever possible, Council officers and contractors will pursue the following goals and support the specified principles when purchasing products, materials and services.

Purchasing decisions will be made in the context of the waste hierarchy to avoid, reduce, reuse and recycle.

Council is committed to:

- minimum greenhouse gas emissions
- minimum habitat destruction
- minimum toxicity
- maximum water efficiency
- value for money rather than just the lowest available price
- tracking of environmental purchases

4.2.1. Acquisition of single-use plastic products

Eliminating single-use plastic from Council facilities aligns with its commitment to urgent action on climate change and key actions identified in Council's environmental policies and plans.

Single use plastic items are defined as any disposable plastic or polystyrene item that is designed to be used only once or for a short period of time before being discarded.

They include, but are not limited to, plastic bags, cups, bowls, plates, cutlery, straws, bottled water, sachets (e.g. sauces, sunscreen), containers, packaging, balloons and disposable paper cups with plastic linings or lids (e.g. disposable coffee cups).

In supporting and promoting Council's environmental Policies and plans, the Procurement team will work with the organisation to assist in identifying opportunities to add relevant clauses in specifications for the acquisition of goods and services. These clauses will identify all banned single use plastics and provide information relating to acceptable alternatives.

Relevant evaluation criteria will be developed and included in all tender conditions associated with goods and services, requesting tenderers to provide alternatives and where possible samples.

5. Diversity

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

6. Support of local business

Council recognises the important role that it plays in creating an environment that facilitates business growth and retention and promotes Hobsons Bay as a place to do business. Council is committed to buying from local businesses to support the use of local services and promote local employment opportunities.

Where practical and applicable Council will actively seek quotations and tenders from local businesses within the municipality and will give preference to goods manufactured or produced in Australia.

A report will be provided to the Executive Leadership Team containing information outlining expenditure attributable to local businesses within Hobsons Bay.

All other factors being equal, Council will give preference to local economic benefit when sourcing products. When this criterion is nominated the benefit must be identifiable and reasonable.

These benefits may take the form of:

- increased local employment
- increased activity and spend in the local economy with identifiable benefits
- the level of local content in the goods, services and works

The application of local content will have consideration of both the service performance principles of the LG Act 2020 and the Commonwealth's *Competition Policy (Competition and Consumer) Act 2010*

7. Social procurement

Social procurement involves using procurement processes and purchasing power to generate positive social outcomes in addition to the delivery of efficient goods, services and works.

The social requirement in a procurement process can be fulfilled where the supplier is able to incorporate delivery of these outcomes into their normal processes, or can be subcontracted out to or directly fulfilled by organisations that have expertise in delivering the required social benefit.

Council is committed to social procurement by:

- seeking opportunities to support local employment opportunities through Council contracts and requests for quotations including but not limited to social enterprise, social benefit and Aboriginal and Torres Strait Islander businesses
- ensuring that all businesses have the same opportunity to tender for Council contracts
- enhancing partnerships with other councils, suppliers and community stakeholders
- purchasing ethical goods to support equitable trade
- ensuring Council supply chains adhere to local, national and international labour standards

A report will be provided to the Executive Leadership Team containing information attributable to the social procurement activities of Council.

8. Build and maintain supply relationships

Council recognises that in order to achieve sustainable value, a strategic assessment of the appropriate “channel to market” should be undertaken – whether to go to market directly, participate in regional or sector aggregated projects or panels, access Victorian Government panel agreements or use other means.

Council will consider supply arrangements that deliver value for money in terms of time, expertise, costs, value and outcome.

8.1. Developing and managing suppliers

Council recognises the importance of effective and open working relationships with its suppliers and is committed to the following:

- managing existing suppliers via the appropriate development programs and performance measurements to ensure the benefits are delivered
- maintaining approved supplier lists
- developing new suppliers and improving the capability of existing suppliers where appropriate

9. Continual improvement

Council is committed to continuous improvement and will review this Procurement Policy at least once during each four-year term of the Council to ensure that it continues to meet its wider strategic objectives.

10. Review date

In accordance with section 108(5) of the LG Act 2020, which requires Council's procurement policy to be reviewed at least once during each Council term, this policy will be reviewed four years from the date of endorsement by Council unless it is required to be updated sooner.

11. Further information

For further information concerning this policy please contact the Chief Financial Officer on 1300 179 944 or contracts@hobsonsabay.vic.gov.au.

12. Document control

Policy Name	Hobsons Bay Procurement Policy
Object ID	A3652379
Agility Document Number	65
Responsible Directorate	Corporate Services
Policy Owner	Chief Financial Officer
Policy Type	Council Endorsed Policy
Date Adopted by Council	14 December 2021
Review Date	14 December 2025

13. Version history

Version Number	Date	Authorised by
1.0	14 December 2021	Council