

Sale of Council Land and Buildings 2017

Department: Community Services	Effective From: 17 October 2017 Review Date: 31 October 2019 Version: 1 Trim Reference: E513	Origin: Community Services Manager Authorising Officer: Endorsed by Council 17 October 2017
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Governance Use Only

Action / Status:

- EMT for comment/review: *Yes*
- Staff consultation required: *No*
- Review by Audit and Risk Advisory Committee: *No*
- Review by Councillors: *Yes*
- Endorsed by Council: *17 October 2017*

PURPOSE/OBJECTIVE

The purpose of this policy is to establish a framework for Council decisions when considering the disposal of Council land or buildings.

This framework should exist to ensure that Council land and buildings are disposed in a responsible manner, in accordance with the outlined policy, legislative requirements and consistent with the Council Plan 2017-2021:

Council is dedicated to achieving the highest standards of good governance, with a focus on informed, equitable and transparent decision making. Accountability for our actions is important to us and we will report on our decisions and performance through a variety of means. We will be true to our values and create a Council and organisational culture based on inclusiveness, impartiality and integrity.

Develop and implement a co-ordinated review of Council assets in consultation with the community focusing on whether or not the disposal of key assets would realise greater net community benefit.

SCOPE

This policy applies to all Council employees, Councillors, contractors, consultants, volunteers and other authorised personnel of Mansfield Shire Council.



POLICY STATEMENT

This Policy outlines the way in which Council administers its real estate assets.

Council asset requirements may change over time, thus all Council land and buildings should be reviewed regularly to ensure that the land or building is being held for a specific purpose for current or future use or identified as potential land or building for disposal.

RESPONSIBILITIES

Overall responsibility for the application of this Policy is held by the Chief Executive Officer.

Managers are responsible for ensuring their staff comply with the principles, practices and any associated procedures of this policy. Management, employees, contractors and volunteers are to be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of this policy within their areas of responsibility.

The Community Services Department is the owner of this policy. Any reviews of this Policy must be made in consultation with the Community Services Manager.

REFERENCES / RELATED POLICIES

Local Government Act 1989

Valuation of Land Act 1960

Mansfield Shire Council Plan 2017-2021

Laws And Regulations

There are many laws and regulations that apply to the way in which Council disposes of its land holdings. The sale of Council land and buildings should be in accordance with the *Local Government Act 1989*.

It is considered that this Policy does not impact negatively on any rights identified in the *Charter of Human Rights Act 2006*.

IMPLEMENTATION

This Policy is effective from 17 October 2017.

REVIEW DATE


This Policy is to be reviewed by 31 October 2019.



AUTHORISATION TO IMPLEMENT POLICY

Signed: 

Councillor

Witnessed: 

Chief Executive Officer

Approval dated: 17 October 2017

Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.



SALE OF COUNCIL LAND AND BUILDINGS PROCEDURES

The following procedures are designed to ensure that all decisions relating to this policy are made in a consistent and open manner.

SURPLUS COUNCIL LAND AND BUILDINGS

Council will review, identify and evaluate, on an as needs basis, all Council land holdings. Properties that are designated as surplus to requirement may be made available for sale.

Surplus Council land and buildings will be identified and considered using the following criteria:

- history of the land
- size and location of the property
- demonstrated past and current usage
- surrounding usage
- community or Council plans
- strategic relevance
- access to the property
- demonstrated community need
- future foreseeable use. This may include Council, community, amenities, environmental and infrastructure usage.

All property marked as being surplus will be subject to a report to Council outlining:

- the reasons for the recommended sale
- a valuation (as per the rating system, which is provided by the Valuer-General's Office)
- the proposed method of sale.

The valuation will be listed separately and remain confidential to ensure the integrity of the sale process. Once Council approval has been received, a public submission process will take place advertising Council's notice of intention to sell in accordance with the provisions in the *Local Government Act 1989*.

REQUIREMENT FOR A CURRENT VALUATION OF LAND

In accordance with Section 189(2) (b) of the *Local Government Act 1989*, before a council sells or exchanges land, it must obtain a valuation of the land which is made not more than 6 months prior to the sale or exchange of that land.

The valuation must be conducted by a valuer that holds the qualifications or experience specified under Section 13DA(1A) of the *Valuation of Land Act 1960*. Under Section 13DA(1A) of this Act, councils are obligated to appoint a valuer who holds the experience or qualifications specified from time to time by the Minister by notice published in the Government Gazette.



GENERAL PRINCIPLES

The method of sale chosen to sell the property will be determined by the nature of the land or building.

Council will aim to maximise the price of asset sales. Different sale methods that can be considered are:

- sale through a real estate agent
- sale by public auction
- sale by public tender
- sale by public registration or expression of interest
- sale /exchange by private treaty.

Each sale method has its benefits of exposing the land to the market. The following principles will apply to the sale:

- The sale of land is not permitted before an auction or close of tenders.
- The reserve price will be set prior to an auction, close of tenders or receipt of offers and remain confidential.
- The valuation will be used as the reserve price.
- If land fails to sell at auction, it is to be passed in for negotiation with the highest bidder and offered for sale to that person at not less than the reserve price.
- If the land remains unsold following negotiations after an auction or unsuccessful tender, it should be left on the market for private sale at not less than the reserve price for an appropriate or reasonable period of time as determined by the CEO or delegated officer.
- A decision to accept a written offer which is lower than the valuation can only be made by Council decision. Having considered relevant factors and Council having formed an opinion that the offer is reasonable, the land may be sold. Council will disclose the reasons for its decision, in a report at the next Council meeting, to sell the land for a price lower than the valuation.

USE OF PROCEEDS

Income from the sale of land will be treated as revenue in the year which it is received and considered as part of any budget considerations.

DATING OF DOCUMENTS

Council will attach a copy of the legal advice received regarding the dating of documents, to all transfer of land documents or sale contracts. A file note will be included in Council's Records Management System referring to the legal advice received in relevant cases.

REFERENCE TO LINKED PROCEDURE OR GUIDELINES

Attachments accompanying this policy that should be reviewed when considering the sale of Council land include the Mansfield Shire Council Procurement Policy.



Procurement Policy and Procedures

Department: <i>Executive Services (Governance Unit)</i>	First Implemented: 10 June 2010 Reviews: Yearly Effective From: 20 December 2016 Review Date: 31 December 2017 Version: 6 Trim Reference: E513	Origin: Initiated by: <i>Chief Executive Officer</i> Finalised by: <i>Governance Co-ordinator</i>
Governance Use Only		
Action / Status: <ul style="list-style-type: none">• Draft to EMT for comment on: <i>14 November 2015</i>• Staff consultation required: <i>No</i>• Reviewed by Audit & Risk Advisory Committee: <i>No (copy to be provided post endorsement)</i>• Endorsed by Council: <i>20 December 2016</i>		

PURPOSE/OBJECTIVES

This Policy aims to:

- establish a legal and ethical policy framework to guide all decisions around the procurement of goods, services and works;
- achieve consistency in procurement activities across the organisation;
- ensure compliance with Clause 186a of the *Local Government Act 1989* and other procurement related legislation;
- improve public probity and accountability around procurement processes;
- apply best practice purchasing principles and processes;
- achieve value for money;
- ensure sustainable procurement and consideration of environmental impacts; and,
- promote continuous improvement in the efficiency of service delivery.

SCOPE

This Procurement Policy is made in accordance with Section 186A of the *Local Government Act 1989* (the Act).

This Policy and its associated Procedures apply to all contracting and procurement activities. All tender processes must be conducted in accordance with this Policy and its Procedures, relevant Australian Standards and the Act.

All Councillors, Mansfield Shire Council staff, contractors and any other person(s) engaged by Council with authority and delegation to undertake procurement are bound to act in accordance with this Policy and its Procedures. This includes any tendering agent appointed by Council under Section 186 of the Act to undertake the procurement process on its behalf.



DEFINITIONS

Term	Definition
Act	<i>Local Government Act 1989</i> (as amended).
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party (for example, discounts, rebates, profits, methodologies and process information).
Contract Management	The process that ensures both parties to a contract meet their respective obligations as efficiently and effectively as possible to deliver the business and operational objectives required from the contract and, in particular, to provide value for money.
Contract Manager	The person nominated by the Council to manage the day-to-day matters of the contract.
Council Staff	Includes full time and part-time Council officers, and temporary employees, contractors and consultants while engaged by Council.
Corporate Social Responsibility (CSR)	Taking positive action to demonstrate Council's commitment to the local community and environment on which it impacts.
Eoi	An Expression of Interest is an invitation for persons to submit an EOI for the provision of goods, services and/or works generally set out in the overview of requirements contained in the project brief/ specifications. The issue of an invitation to a party is not an offer or a contract.
e-Procurement	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.
GST	Goods and Services Tax. All monetary values stated in this policy include GST except where specified otherwise.
Local	Businesses based within Mansfield Shire.
Probity	In the context of a procurement process probity is a clear and consistent process that meets legislative requirements. The ability for the procurement process to withstand internal and external scrutiny is essential, that is, a process that achieves both accountability and transparency and treats all potential suppliers equitably.



Procurement	Is the entire 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.
Quotation Process	The process of inviting parties to submit a quotation for the provision of goods, services or works that is followed by an evaluation of submissions and selection of a successful bidder or tenderer.
Standing Offer Arrangements	A contract that sets out rates for goods, services and works which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services. Abbreviated as SOA.
Tender Process	The process of inviting parties to submit a quotation or tender by public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.
Value for Money	Ensuring the procurement process acquires goods, services and works in a manner which achieves the optimum combination of quality, quantity, risk, timeliness, on a whole-of-contract and whole-of-asset-life basis.

POLICY STATEMENT

1. Policy Principles

Mansfield Shire Council recognises that:

- Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles will support Council objectives such as bottom-line cost savings, supporting local economies, social procurement, achieving innovation and better services for communities.
- The elements of best practice procurement incorporate:
 - broad principles covering ethics, value for money, responsibilities and accountabilities;
 - guidelines giving effect to those principles;
 - a system of delegations (i.e. the authorisation of 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; and,
 - a professional approach to all major procurements.



- Council's contracting, purchasing and contract management activities must:
 - support the Council's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment and corporate social responsibility;
 - take a long term strategic view of its procurement needs by spanning the whole life cycle of an acquisition from initial concept to the end of the useful life of an asset, including its disposal, or the end of a service contract;
 - provide a robust and transparent audit trail which ensures that procurement projects are delivered on time, within cost constraints and that the needs of end users are fully met;
 - be conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
 - achieve value for money and quality in the acquisition of goods, services and works by the Council;
 - ensure that risk is identified, assessed and managed at all stages of the procurement process;
 - use strategic procurement practices and innovative procurement solutions to promote sustainability and best value, in particular making use of collaboration and partnership opportunities;
 - use social procurement to enhance sustainable and strategic procurement to effectively contribute towards building stronger communities, supporting the local economy and meeting the wider social objectives of the Council;
 - comply with legislation, corporate policies or other requirements, ensuring that all staff responsible for procurement and contract management are aware of and adhere to the legislative requirements, Council standards and best practice;
 - be flexible enough to ensure procurement can be completed in a timely manner that reflects the diversity of goods, services and works required by the Council;
 - ensure that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
 - provide effective and efficient commercial arrangements for the acquisition of goods, services and works; and,
 - encourage competition.



2. ETHICS AND PROBITY

Council's procurement activities will be undertaken with integrity and in a manner that withstands internal and external scrutiny.

2.1 Conduct of Councillors and Council Staff

Councillors and Council staff must, at all times, conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and will:

- treat potential and existing suppliers with equality and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity; and,
- be able to account for all decisions and provide feedback on them.

Council staff responsible for managing or supervising contracts are prohibited from performing any works under a contract they are supervising.

2.2 Members of Professional Bodies

Councillors and Council staff belonging to professional organisations shall, in addition to the obligations detailed in this Policy, ensure that they adhere to any code of ethics or professional standards required by that body.

2.3 Conflict of Interest

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

Councillors and Council staff are subject to the conflict of interest provisions in:

- the Act: Division 1A – Conduct and Interests
- Mansfield Shire Councillor Code of Conduct, October 2013
- Mansfield Shire Employee Code of Conduct.

More specifically, Councillors and Council staff involved in the procurement process, including writing tender specifications, tender opening, and tender evaluation panels, must:

- avoid conflicts, whether actual, potential or perceived, arising between their official duties and their private interests. Private interests include the financial and other interests of Councillors and Council staff, plus their relatives and close associates; and,



- declare that there is no conflict of interest. Where future conflicts or relevant private interests arise Council Staff must make their manager, or the chairperson of the relevant tender assessment panel or board aware and allow them to decide whether the officer should continue to be involved in the specific procurement exercise.

2.4 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so 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 be maintained at all times particularly commercially sensitive material such as prices, discounts, rebates, profit, manufacturing and product information.

2.5 Gifts and Hospitality

All Councillors and Council staff are to adhere to the provisions of Council's Gifts, Benefits and Hospitality Policy 2015.

2.6 Disclosure of Information

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

Councillors and Council staff are to protect, by refusing to release or discuss, the following:

- allocated Council budgets for proposed tenders;
- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all Commercial in Confidence information; and,
- pre-contract information including information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier. At no stage should any discussion be entered into that could have potential contractual implications prior to the contract approval process being finalised.

Details of the winning price only may be released to improve the tender process and to achieve value for money objectives. The winning price will only be disclosed in writing to unsuccessful tenderers upon request and only upon the completion of the tender process.



3. GOVERNANCE

3.1 Procurement Methods

Council's standard methods for purchasing goods, services and works must be undertaken by one or all of the following means:

- corporate credit card;
- purchase order following a quotation/expression of interest process from suppliers for goods or services that represent best value for money under directed quotation thresholds;
- under contract following a tender process; or,
- using aggregated purchasing arrangements with other Councils, MAV Procurement, Victorian Government, or other bodies.

Other arrangements may be authorised in abnormal circumstances or in the case of an emergency by the Council or the Chief Executive Officer (CEO).

The Council may, at the CEO's discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders.

Typically a multi-stage tender process will commence with a registration of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

An Expression of Interest process may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear;
- the requirement is capable of several technical solutions;
- Council wishes to consider issues, such as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project, prior to the formal tender process commences;
- tendering costs are likely to be high and Council wishes to ensure that companies incapable of supplying the requirement do not incur unnecessary expense or effort;
- it is necessary to pre-qualify suppliers and goods to meet defined standards; or,
- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (of both the objective and the solution).

In accordance with Section 186(2) of the Act, all expressions of interest must be registered on Council's electronic document management system, TRIM. Some or all of those who registered their interest must then be invited to tender once Council is ready to proceed to enter into a contract.



3.2 Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

The availability of existing funds within an approved budget, or source of funds, must be established prior to the commencement of any procurement action for the supply of goods, services or works.

Where a tender sum exceeds the budget allocation, Council must review the scope of the project and/or approve a variation to the allocated budget via a report to Council.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

3.3 Procurement Thresholds and Competition

Council will, via this Policy and its Procedures, provide clear guidelines around the minimum spend limits for which a competitive procurement process must be undertaken. The method for determining the value of procurement is set out under Section 1 of the Procedures attached to this Policy.

Contracts must not be divided into smaller, separate procurements to avoid procurement thresholds under any circumstances.

It should be noted that a contract for the procurement of legal services is exempt from the following thresholds as per Section 186(5)(d) of the Local Government Act Regulations 2015.

3.3.1 Minimum Spend Competition Thresholds

A public tender process must be undertaken for the procurement of all goods, services and works for which the estimated expenditure totals the limits specified by the Act. That is:

- \$150,001 or more for all goods and services; and,
- \$200,001 or more for all building and construction works.

Tenders may be called for purchases of goods, services and works where the estimated expenditure is below the aforementioned thresholds if the Chief Executive Officer, or his/her delegate, considers that the nature of the requirement and market conditions are such that a public tender process would lead to a better outcome for Council.

Mansfield Shire utilises the Tenderlink process (www.tenderlink.com.au) to advertise all tenders within the aforementioned thresholds.

Where an item is purchased on a frequent basis and the aggregate expenditure is estimated to exceed \$150,001 per financial year, an Annual Supply Agreement should be used.



It should be noted that Officers with Delegated Authority are able to use a competitive expression of interest/ tender process for the procurement of goods, services and works under these limits.

3.3.2 Quotations

Where the estimated expenditure for goods and services is \$150,000 or less, or where the building and construction works sought total less than \$200,000 procurement via verbal and written quotations may be undertaken, subject to the provisions of Section 2 of the Procedures attached to this Policy.

3.3.3 Collaborative Procurement

Section 186 of the Act allows the authorisation of procurement agencies to undertake collaborative procurement by way of public tender. There are two agencies that offer this service to Council, namely the Municipal Association of Victoria and Procurement Australia.

When Collaborative Procurement is used, all contracts must be awarded in accordance with the Procurement Thresholds outlined in this Policy and delegated authority as outlined in Attachment 1.

3.4 Procedural Exceptions to this Policy

There may be, from time to time, exceptional circumstances that arise where the provisions of this Policy cannot be satisfied.

In these cases approval from the Chief Executive Officer is required prior to proceeding with the purchase.

The requirements of Section 3 of the Procedures attached to this Policy are to be followed in such circumstances and Procedural Exceptions Memorandum template must be used to submit a request (refer to Attachment 2). Supporting evidence must accompany any request to utilise this provision that clearly demonstrates a procedural exception exists.

3.5 Delegation of Authority

Mansfield Shire maintains a documented scheme of procurement delegations that define the limitations within which Council staff must operate.

Delegation of procurement authority allows the specified Council staff to approve certain purchase, quotations, tenders and contractual processes without a resolution from Council. This enables Mansfield Shire to conduct procurement activities in an efficient and timely manner while maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to Council and the community that purchasing activities are conducted at an appropriate level of authority.

The delegated responsibilities outlined in Attachment 1 govern the following procurement activities:



- Acceptance of tenders;
- Acceptance of quotes;
- Contract term extensions (within authorised budget limits);
- Contract amendments (non-financial); and,
- Credit card purchases.

3.5.1 Decisions Reserved for Council

The following must be approved by way of a Council Resolution (ie the Chief Executive Officer's delegations are exceeded):

- Tender recommendations and contract approvals for all expenditure exceeding \$150,001 for goods and services, or \$200,001 for building and construction works; and,
- Contract term extensions that necessitate an additional budget allocation.

3.6 Internal Controls

Council will create and maintain a framework of internal controls over procurement processes that will ensure:

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

3.7 Commercial Information

Procurement activities will be carried out in a way that supports Council staff in meeting their obligations, namely to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with Council's Privacy and Data Protection Policy.

3.8 Risk Management

3.8.1 General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

3.8.2 Occupational Health and Safety

Health and safety requirements throughout the lifecycle of the good, service or works being purchased shall be assessed and addressed prior to the commencement of the procurement process in accordance with Council's Occupational Health and Safety Policy and any relevant State or Federal policy. Lifecycle includes the usage of plant/equipment or goods/material, its maintenance and disposal.



3.8.3 Supply by Contract

The provision of goods, services and works by contract can potentially expose Council to risk, which will be mitigated as much as practicable through the following measures:

- standardising contracts, ensuring they only contain current and relevant clauses;
- requiring security deposits where appropriate;
- seeking input into the development of technical specifications, scope of works and other such matters from relevant experts;
- requiring a signed contractual agreement to be in place prior to the commencement of any supply of goods, services or works;
- application and/or reference to relevant Australian Standards (or equivalent);
- effectively managing the contract, including monitoring of performance and, where necessary, active enforcement of performance standards;
- undertaking relevant financial checks of companies prior to awarding a contract to ensure they can viably undertake the contract; and,
- obtaining copies of certificates of currency for relevant insurances.

3.9 Endorsement

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

3.10 Contract Terms

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

To protect the best interests of Council, terms and conditions with a supplier must be settled in advance of any commitment being made with a supplier. Any exceptions to doing this must be authorised by the appropriate member of Council staff listed in Council Delegations and Authorisations.

Further provisions relating to Contract and Contract Management are outlined in Sections 6 and 7 of the Procedures attached to this Policy.

3.11 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the risk to both parties of disputes escalating to the point that it results in legal action.

3.12 Contract Management

All Council contracts are to include contract management requirements with Council's *Contract Management Policy*.



4. DEMONSTRATED SUSTAINED VALUE

4.1 Alignment with the Council Plan

All procurement activities must support the implementation of the Council Plan's aims and objectives, namely:

- Driving organisational performance and resource management;
- Good governance;
- A growing economy;
- Improving our built and natural environment; and,
- Empowered and self-sufficient communities.

4.2 Achieving Value for Money

Council's procurement activities will be carried out on the basis of obtaining value for money. This means weighing up the benefits of the purchase against the cost of the purchase, with the guiding objective being to minimise the total cost of ownership over the lifetime of the procured item.

Value for money factors need to be included in all tender, quote and expression of interest criteria and may include:

- whether or not the item, service or works is fit for purpose;
- maintenance and running costs over the lifetime of the product;
- the advantages of buying locally in terms of:
 - shorter delivery times
 - local back up and servicing
 - availability of spare parts
 - the contribution to the achievement of broader objectives such as economic development and employment creation
 - potential for creating strategic partnerships and cooperative product development;
- quality assurance;
- risks;
- the capacity of the supplier;
- environmental considerations;
- energy conservation;
- ability to meet specified timelines; and,
- disposal value.

Obtaining value for money does not mean a Council is obliged to accept the lowest quoted price.



4.3 Specifications

The specifications contained in quotations, expressions of interest, tenders and contracts must support and contribute to Council's commitment to achieving value for money. They must be written in a manner that:

- ensures impartiality and objectivity;
- encourages the use of standard products;
- promotes environmental sustainability;
- provides a clear understanding of the goods, service or works to be supplied; and,
- eliminates unnecessarily stringent requirements.

4.4 Supporting Local Businesses

Council is committed to buying local where such purchases may be justified on Value for Money grounds.

A weighting shall be given in all contracts to suppliers who demonstrate how they intend to support local suppliers, contractors and services. This condition is mandatory for all contracts and must be considered as a criterion when assessing quotes and tenders.



5. BUILDING AND MANAGING SUPPLIERS

5.1 Assessing Channels to Market

Council recognises that a strategic assessment of the appropriate 'channel to market' should be undertaken to achieve value for money; that is whether to go to market on its own, or participate in regional/sector aggregated projects or panels, or whether to access State Government panel agreements and the like.

5.2 Fostering Positive Relationships with Suppliers

An integral part of achieving value for money is fostering effective and open relationships with its suppliers. To this end Council is committed to:

- managing existing suppliers through appropriate performance measures and development programs; and,
- developing new suppliers and, where appropriate, improving the capability of existing suppliers.

It is also important that council identifies its key suppliers as a means of focusing relationship management efforts, which can be determined by one or all of the following factors:

- size of spend across Council;
- whether the goods, works or service is critical to the delivery of Council services;
- availability of substitutes; and,
- market share and the strategic share of suppliers.

5.3 Diversity in Suppliers

Council is committed to the promotion of diversity and equal opportunity through the procurement process. Diversity has the potential to improve competition, achieve value for money, improve the quality of services, increase user satisfaction and promote better community relationships.

To this end Council will encourage a wide range of suppliers to compete for contracts, quotes and expressions of interest. This may include local businesses, green suppliers, small to medium sized enterprises, social enterprises or ethnic and minority businesses.

The procurement process will also be aligned with the principles of the *Victorian Charter of Human Rights* by requesting all suppliers to demonstrate how they aim to comply with the Charter.



6. CONTINUOUS IMPROVEMENT

Council acknowledges that there must be a concerted effort by the Organisation to develop a robust and consistent contract management system over the next twelve months. Such efforts must focus on:

- ensuring all procurement activities and contracts are fully documented, and that such documentation is recorded on Council's electronic document management system, TRIM; and,
- systems are in place to ensure the performance measures of contracts are regularly assessed.

This Policy and its Procedures will be reviewed on an annual basis, in line with the Act, and as a means of providing a vehicle for continuous improvement.

7. RESPONSIBILITIES

The Chief Executive Officer is accountable for organisational procurement.

The Engineering and Works Manager is the owner of this policy.

Implementation of this Policy and Procedures within a department is the responsibility of the respective Manager.

All delegated officers and Councillors are responsible for the application of this Policy and Procedures in their respective areas of responsibility.

Adherence to the Procurement Policy and its Procedures will be overseen by the Departmental Manager. Internal audits of compliance with this Policy and Procedures will be undertaken from time to time by the Risk Officer, including monitoring cumulative procurement values.

Any review of this Policy must be made in consultation with the Manager, Engineering and Works and the Governance Unit.

8. REFERENCES

- *Local Government Act 1989*
- *Local Government Act Regulations 2015*
- *Trade Practices Act 1974*
- *Competition and Consumer Act 2010*
- Australian Standards
- Local Government Procurement Best Practice Guidelines (August 2008)
- Municipal Association of Victoria – Model Procurement Policy June 2009
- Victorian Government Purchasing Board Policies
- Victorian Local Government Best Practice Procurement Guidelines 2013



- Australian Government – Department of Environment, Guide for the sustainable procurement of services <https://www.environment.gov.au/protection/national-waste-policy/publications/guide-sustainable-procurement-services>
- *Victorian Charter of Human Rights*
- *Public Records Act 1973*
- Councillor Code of Conduct
- Employee Code of Conduct
- Gifts, Benefits and Hospitality Policy
- Equal Opportunity and Human Rights Policy
- Occupational Health and Safety Policy
- Fraud Policy
- Purchasing Card Policy
- Contract Management Policy

9. IMPLEMENTATION

This policy is effective from 20 December 2016.

10. REVIEW DATE

This Policy is required to be reviewed at least once in each financial year (section 186A (7) of the *Local Government Act 1989*). Minor amendments to the policy may be authorised by the Chief Executive Officer at any time where such changes do not alter the substance of the policy eg: typographical errors, a change to the names of a related policy or a change to the name of legislation.

This Policy is scheduled for review by 31 December 2017, however it may be reviewed or varied at any time in consultation with Council.

AUTHORISATION TO IMPLEMENT POLICY

In accordance with the *Local Government Act 1989*, this Policy must be endorsed by the Mansfield Shire Council.

Signed: 

Councillor

Witnessed: 

Chief Executive Officer

Dated: 20 December 2016



PROCUREMENT PROCEDURES

1. METHOD FOR DETERMINING THE VALUE OF PROCUREMENT

The value of the good, service or works to be procured must be estimated to determine which procurement threshold specified by this Policy (and the Act) applies.

When estimating the value of the procurement, the following must be included:

- All forms of remuneration including any premiums, fees, commissions, interest and other revenue streams that may be included in the final contract;
- All taxes and charges, including GST;
- The total maximum value of the goods, services or works procured, including the value of any options or extensions that may be included in the final contract; and,
- The total value of the proposed contracted over the term of the contract.

If it is anticipated that a procurement will be close to the relevant threshold, or if it is likely that the final value of a procurement may exceed the relevant threshold, it should be treated as if the threshold is exceeded. Furthermore, if a procurement is undervalued it will be considered as being non-compliant with this Policy (and potentially the Act).

2. PROCUREMENT METHODS

The following procurement methods apply unless a decision has been made to use a public tender process as per Section 3.3.1 of this Policy.

2.1 Items with a total value up to \$2,000

Items purchased should be made in accordance with appropriate financial delegation and within budget constraints. All purchases must reflect best value for money.

2.2 Items with a total value \$2,001 to \$10,000

A minimum of one written quotation must be obtained..

The Officer undertaking the procurement must fully document the procurement process on Council's electronic records database, TRIM. Minimum information which must be recorded includes details of the goods or service sought, the supplier from whom the quote was sought and the value of the quote. This minimum information must be stored for all quotations where more than one quotation has been sought.

2.3 Goods or services with a total value of \$10,001 - \$150,000 or building and construction works valued up to \$200,000

Three written quotations must be sought prior to raising a purchase order. Verbal quotations are not to be accepted. All quotations are to be saved on Council's electronic records database, TRIM.



Quotations submitted by the nominated due date must be evaluated and an order must be placed with the firm whose quotation offers the best value for money. However, if there is a difference of more than 20% between the lowest and highest quotation the relevant Departmental Manager's approval must be sought prior to raising a purchase order.

The request for quotations may be publically advertised at the discretion of the delegated officer, Departmental Manager or Chief Executive Officer. This may occur when a field of potential suppliers/tenderers hasn't been established, or an innovative approach is required, or the project has a broad appeal that may attract strong competition.

2.4 Goods and services with a total value of \$150,001 or more, or building and construction works valued at \$200,001 or more

A full public tender process must be undertaken prior to raising a purchase order.

Public advertising of the works subject to the tender must be publically advertised in the Mansfield Courier and managed through the e-tender portal accessed via Council's website.

2.5 Procurement Summary

A summary of the procurement method in relation to the value of the works, goods and services is listed below.

Value	Requirement
\$1 - \$10,000	Minimum of one quotes / verbal estimate
\$10,001 - \$150,000 for goods and services or \$200,000 for works *	Minimum of 3 written quotes *
Greater than \$150,001 – Goods & Services	Public Tender
Greater than \$200,001 - Works	Public Tender

* Officers with Delegated Authority are able to use a competitive expression of interest/ tender process for the procurement of goods, services and works under the value identified in Section 2.3 of these Procedures if it is considered that this will achieve the best outcome in terms of achieving best value and maximising competition.

3. PROCEDURAL EXCEPTIONS

The following factors are to guide the identification and documentation of the limited circumstances where there are legitimate reasons to vary compliance the requirements of the Procurement Policy.

Thorough documentation and evidence is required to substantiate the presence of one or more of the following circumstances prior to the submission of authorisation from the Chief Executive Officer to vary the requirements of the Procurement Policy. This includes evidence of recent market testing.



1. Emergency – there is an extreme urgency resulting by events unforeseen by the organisation and the goods, services or works cannot be obtained in time through an open tender or quotation process.
2. Sole Supplier/Insufficient Quotes – it is beyond doubt that there are not sufficient suppliers within the market to provide the requisite number of quotes.
3. Scope Change – there is an unforeseen need to make minor alterations to the scope of the project and the cost of obtaining further quotations or undertaking another tender process outweigh potential benefits.
4. Advantageous Time-limited Conditions – such as unusual disposal by suppliers, unsolicited innovative proposals, liquidation, bankruptcy or receivership. Routine purchases from regular suppliers are excluded.
5. Intellectual Property – where the goods, service or works can only be supplied by a particular business and no other reasonable alternative or substitute can be identified (for example a particular piece of software, copyright, patent or exclusive right).
6. Absence of Competition – where, for technical reasons, products are limited by patents or licences.
7. Support from the Original Supplier – where a change from the original supplier would result in incompatibility with existing goods, services or works (for example spare parts for a vehicle or plant).

The following must not be used to justify a procedural exception:

- completion of projects prior to the end of the financial year (projects must be well planned to avoid end of year deadlines);
- poor project planning which would necessitate the use of the 'emergency' category;
- a desire to include suppliers because of previous procurement processes;
- expending Council funds through a community group.

4. REQUESTS FOR EXPRESSIONS OF INTEREST OR TENDER

4.1 Expressions of Interest

An expression of interest is a two-step process. An expression of interest process does not replace the need to call tenders, it precedes the calling of tenders and generally seeks to constrain the number, and focus the quality and detail, of tenders received. An expression of interest process is to include the following components:

- Specification of requirements;
- Invitation to submit an expression of interest;
- Criteria for evaluating expressions of interest; and,
- Form of expression of interest submissions (respondents form).

4.2 Tender and Expression of Interest Process

Where a decision is made that a formal tender or expression of interest process is to be undertaken then Council needs to ensure it has in place the necessary documentation to support the technical specifications of the goods, service or works sought.



Supporting documentation must include the following primary components:

- Conditions of tendering (the rules for tendering, including evaluation criteria);
- Form of tender and pricing schedules or tables;
- Proposed contract;
- Tender response proformas (including schedules);
- Conditions of contract (and sometimes special conditions); and
- Specification for the goods, services or work sought which may or may not include drawings and technical definitions of need.

The flowchart in Attachment 4 outlines the tender / expression of interest process.

4.3 Tender and Quotation Periods

Advertising relating to expressions of interest or tenders must be placed in the Mansfield Courier under Mansfield Matters and under the e-Tender portal on Council's website for a minimum of twenty one (21) days.

Requests for quotations must be open for a minimum of seven (7) days.

4.4 Quotation, Expression of Interest and Tender Evaluation

The process for evaluating expressions of interest, quotations and tender bids will depend on the size, complexity and associated risk of each individual procurement.

It may be in the form of a simple assessment of a number of quotations on a straightforward procurement through to a comprehensive evaluation involving pre-tender briefings, technical reports, auditors, detailed financial assessments, and possibly industrial relations negotiations.

The proposed evaluation process must be clearly defined in writing for either Council or the Chief Executive Officer, whichever is being requested to approve the undertaking of a tender process prior to advertising.

Attachments 4 and 5 outline processes for procurement via Tender or Quotations.

This will ensure the process for determining the successful tenderer is clear prior to the process commencing.

4.5 Tender Evaluation Panel

Tender evaluation panels must be formed in order to evaluate all tenders and expressions of interest.

The persons forming the evaluation panel must be involved in the assessment of all submissions. Under no circumstance should tenders or expressions of interest be considered by a single person panel.

The number of persons on a panel is dependent on the value or risk of the tender. A benchmark size for a panel is three persons for tenders up to \$1 million in value and a larger panel for higher values.



4.6 Tender Selection Criteria

The tender selection criteria will be determined as part of the preparation of the tender documentation including, to but not limited to:

- capacity
- capability
- price
- supporting local business (please note that Section 4.5 of the Policy requires a weighting to local suppliers for all contracts).

The tender / quote / expression of interest form is to be used when assessing submissions, as per Attachment 3, to ensure the assessment process is well documented and transparent.

4.6 Evaluation & Selection Criteria

Evaluation, negotiation and selection of tenders shall be in conformance with the requirements of AS4120 *Code of Tendering*.

The tender assessment should be undertaken in two stages:

Stage 1 Assessment against minimum tender requirements

- Assessment of the evidence provided against the tender assessment criteria.
- Assessment of capability to undertake and deliver the specified project outcomes.

Only those tender submissions that satisfy these two points should proceed to Stage 2. This evaluation process must undertaken by the Tender Review Panel, be documented and saved in TRIM.

Stage 2 Best Value for Money

The tender criteria are evaluated and weighted by the Tender Review Panel. The evaluation sheet in Attachment 3 is provided to assist with this process.

An example as to what assessment criteria, minimum ratings and weighting is provided below:

Criteria	Description	Example Stage 1 Minimum Rating	Example Stage 2 Weighting
Capability to Complete Contract	Work methods and projected timeframes, availability of resources	3/5	30%
Experience & Performance	Level of experience in the type of work tendered (qualifications, referee assignment, quality of previous work)	3/5	15%



Criteria	Description	Example Stage 1 Minimum Rating	Example Stage 2 Weighting
Local Economy Content	The following scoring will be adopted		10%
	Local Contractor 10%		
	Regional Contractor 6%		
	Interstate Contractor 2%		
Price	Total Quoted Lump Sum of Works Consideration for rates for Day-works & Variation Purposes etc.		45%

4.7 No Tenders Received

In the event that Council undertakes a compliant public tender process and does not receive any tenders, or it rejects all tenders on the basis they did not meet Council’s specifications outlined in the tender document, the two options are:

1. Recall tenders either with or without amending the procurement requirements and the tender documents; or,
2. Seek an alternative means of delivering the service or works required under the tender without changing the requirements (including undertaking the service or works itself).

If the scope or intent of its requirements for goods, services or works is amended so that it is materially different a new public tender process must then commence.

4.8 Purchasing Standard Products

Commercial arrangements will be put into place to enable the Organisation to source and receive standard products and services in a timely and efficient manner. This will be achieved by:

- Pricing options, where relevant;
- Use of tools and business systems, such as e-tendering, e-evaluation, e-catalogues or e-sourcing arrangements;
- Application of standard contract terms and conditions.

5. ACHIEVING VALUE FOR MONEY

Achieving value for money in all procurement activities will be facilitated by:

- developing, implementing and managing procurement practices that support the coordination and streamlining of activities throughout the product’s lifecycle;
- effective use of competition;
- the application of principles for procuring sustainably;
- using aggregated contracts and standing offer arrangements where appropriate;
- identifying and rectifying inefficiencies in procurement processes;



- developing cost efficient tender processes, including the use of the e-Tender portal or alternative e-solution; and
- the availability of Council staff to provide procurement services and competent advice in terms of the available product options and agreements;
- collecting and analysing benchmarking data; and,
- working with suppliers to create relationships that are professional and productive and are commensurate with to the value and importance of the goods, services or works being acquired.

6. CONTRACT REQUIREMENTS

All contractual relationships must be documented in writing.

The contract must ensure that all contractors obey, and ensure that its employees, sub-contractors and agents obey any Acts, Council policies, regulations and local laws in any way applicable to the performance of a contract.

There may be an exceptional circumstance when full documentation cannot be recorded prior to purchase in accordance with these Procedures, such as when purchasing goods, services or works in response to an immediate natural disaster or emergency. In these rare circumstances approval must be obtained from the appropriate member of Council staff listed in the relevant Delegations and Authorisations. A request for such an approval should be supported with procurement and legal advice as relevant.

6.1 Standard Contracts

The Officer with Delegated Authority must make an assessment as to whether or not to use an Australian Standard contract.

The following Australian Standards Contracts are relevant:

AS 4949-2001	Work Order
AS 4906-2002	Minor Works Contract
AS 4000-1997	General conditions of contract
AS 4902-2000	General conditions of contract for design and construct
AS 4122-2010	General conditions of contract for consultants

The following two matrices are used by the Engineering and Works Department to identify the appropriate Australian Standard contract.

Simple Matrix	Estimated Project Amount			
	\$1-10,001	\$10,001-150,000 for Goods and Services	\$10,001 - \$200,000 for Construction and Works <i>Eol & Tenders</i>	\$150,001+ goods and services, \$200,001 for buildings/works <i>Tenders Only</i>
Project Complexity				
Low (1-4)	AS4949	AS4949	AS4906	AS4906
Medium (5-8)	AS4949	AS4906	AS4906	AS4000
High (9-10)	AS4906	AS4906	AS4906	AS4000



The list of works below is used to inform the matrix and should be edited to suit the individual contract scope.

Works Included	Complexity Value
Earthworks	1 point
Drainage (including headwalls, pits etc)	1 point
Road pavement (including seal, asphalt)	1 point
Concrete (footpaths, kerb and channel)	1 point
Structural works (including building works)	1 point
Major service alterations	1 point
High level of Quality Assurance required	1 point
High level of OH & S implementation required	1 point
Frequent inspections required (ie more than two per week)	1 point
High level of contract administration and management required	1 point

7. CONTRACT MANAGEMENT

Every contract must be actively managed by the relevant Officer to ensure that the goods, services or works provided to the required standards of quality and quantity as prescribed by the contract.

To this end, each contract manager must:

- establish a system monitoring and achieving the responsibilities and obligations of both parties' under the contract; and,
- provide a means for the early recognition of issues and performance problems and the identification of solutions.

8. ASSESSMENT OF ENVIRONMENTAL IMPACTS

The environmental impact of all supply options shall be assessed by applying the following criteria within the principle of value for money kept in mind at all times:

- assessment of the whole of life cost (including costs of operation, maintenance and disposal at end of the product life);
- eco-friendly products are preferred to other alternatives;
- where relevant, products are to have an energy and/or water consumption rating of 4 stars or above. Vehicles are to have the highest Green Vehicle Guide rating;
- suppliers who use clean technology or are less polluting than other suppliers are to be preferred; and,
- recycled or part recycled products are preferred as they optimise consumption of, and demand for, recycled products while promoting the reprocessing of waste as a means of minimising landfill.



9. RECORD KEEPING

A contract number (CMXX.XXXX) will be allocated to each individual job. This contract number will also have an associated TRIM E-File number (working and operational file), to be used exclusively throughout the life of the job.

All documents associated with the job must be filed electronically and in hard-copy to the appropriate E-File number.

All tender documents, whether successful or not, are held in accordance with the *Public Records Act 1973*.



ATTACHMENT 1 DELEGATED OFFICER AUTHORISED PURCHASING LIMITS

Position	**Payment Authorisation Limit	Authority to Accept Tenders	Authority to Accept Quotes	Authority to Extend Contract Term and other Non Financial Amendments	Authority to Approve Contract Variations Within Allocated Budget	Authority to Approve Procedural Exceptions	Corporate Credit Card Limit
Chief Executive Officer	\$150,000 for services, \$200,000 for buildings & works	Yes	Yes	Yes	No limit subject to budget and purchasing delegations	Yes	\$5,000
Executive Assistant – CEO	\$2,000	No	Yes	No	No	No	\$2,000
Governance Co-ordinator	\$10,000	No	Yes	No	No	No	
Governance & Council Support Admin Assistant	\$2,000	No	Yes	No	No	No	
Corporate and Organisational Development Manager	\$50,000	Yes	Yes	Yes	No	No	
Human Resources Co-ordinator	\$2,000	No	Yes	No	No	No	
Principal Information Engineer	\$25,000	No	Yes	No	No	No	\$2,000
IT Co-Ordinator	\$25,000	No	Yes	No	No	No	\$5,000
Risk and OH&S Co-ordinator	\$2,000	No	No	No	No	No	
Customer Services Co-ordinator	\$2,000	No	Yes	No	No	No	
Records Administrator	\$2,000	No	Yes	No	No	No	
Finance Manager	\$50,000	Yes	Yes	No	Up to 10%	No	\$5,000
Senior Accountant	\$5,000	No	Yes	No	No	No	
Revenue Co-ordinator	\$5,000	No	Yes	No	No	No	
Engineering Manager	\$50,000	Yes	Yes	Yes	Up to 10%	No	\$5,000
Engineering & Works Administration Assistant	\$5,000	No	Yes	No	No	No	\$5,000
Senior Civil Engineer	\$25,000	Yes	Yes	No	Up to 10%	No	
Civil Engineer	\$5,000	No	Yes	No	No	No	



Position	**Payment Authorisation Limit	Authority to Accept Tenders	Authority to Accept Quotes	Authority to Extend Contract Term and other Non Financial Amendments	Authority to Approve Contract Variations Within Allocated Budget	Authority to Approve Procedural Exceptions	Corporate Credit Card Limit
Senior Technical Officer	\$2,000	No	Yes	No	No	No	
Senior Civil Designer	\$5,000	No	No	No	No	No	
Works Co-ordinator	\$25,000	No	Yes	No	Up to 10%	No	
Works Programming Officer	\$10,000	No	Yes	No	No	No	\$10,000
Parks & Gardens Supervisor	\$2,000	No	Yes	No	No	No	
Asset and Maintenance Liaison Officer	\$2,000	No	No	No	No	No	
Maintenance Supervisor	\$5,000	No	Yes	No	No	No	
Mechanic	\$2,000	No	No	No	No	No	
Development Services Manager	\$50,000	Yes	Yes	Yes	Up to 10%	No	\$5,000
Senior Environmental Health Officer	\$10,000	No	Yes	No	Up to 10%	No	\$2,000
Statutory Planning Team Leader	\$10,000	No	Yes	No	Up to 10%	No	
Senior Strategic Planner	\$10,000	No	Yes	No	Up to 10%	No	
Waste Management Officer	\$2,000	No	No	No	No	No	
Environment Officer	\$5,000	No	No	No	No	No	
Planning Administration Support Officer	\$2,000	No	No	No	No	No	
Development Services Admin. Support Officer	\$2,000	No	No	No	No	No	
Development Services Admin. Assistant	\$2,000	No	No	No	No	No	
Community Services Manager	\$50,000	Yes	Yes	Yes	Up to 10%	No	\$5,000
Tourism & Economic Development Team Leader	\$2,000	No	No	No	No	No	\$2,000
Tourism & Economic Tourism and Events Co-ordinator	\$2,000	No	No	No	No	No	
Business Services Co-ordinator	\$2,000	No	No	No	No	No	
MERP - Project Officer	\$5,000	No	Yes	No	No	No	\$2,000



Position	**Payment Authorisation Limit	Authority to Accept Tenders	Authority to Accept Quotes	Authority to Extend Contract Term and other Non Financial Amendments	Authority to Approve Contract Variations Within Allocated Budget	Authority to Approve Procedural Exceptions	Corporate Credit Card Limit
Community Development Team Leader	\$5,000	No	Yes	No	No	No	
Community Development Officer	\$2,000	No	No	No	No	No	
Sport and Recreation Officer	\$2,000	No	No	No	No	No	
Library Services Co-ordinator	\$2,000	No	No	No	No	No	\$2,000
Library Services Officer	\$2,000	No	No	No	No	No	
Library Support Services Officer	\$500	No	No	No	No	No	
Youth Development Co-ordinator	\$2,000	No	Yes	No	No	No	
Youth Development Officer	\$2,000	No	No	No	No	No	
Cafe Connect Co-ordinator	\$2,000	No	No	No	No	No	\$2,000
Aged & Disability Team Leader	\$5,000	No	No	No	No	No	\$1,000
Client Liaison & Business Services Officer	\$2,000	No	No	No	No	No	
Business Support Officer - Aged & Disability	\$2,000	No	No	No	No	No	
Planned Activities Co-ordinator	\$2,000	No	Yes	No	No	No	\$2,000
Planned Activities Officer	\$1,000	No	No	No	No	No	\$1,000
Planned Activities Officer	\$1,000	No	No	No	No	No	\$1,000
Assessment Officer	\$2,000	No	No	No	No	No	
Family Youth and Children's Services Team Leader	\$5,000	No	Yes	No	No	No	\$2,000
Financial Counsellor	\$2,000	No	Yes	No	No	No	\$2,000
Maternal & Child Health Nurse	\$2,000	No	No	No	No	No	
Family Youth & Children's Services Admin Assist.	\$2,000	No	No	No	No	No	



ATTACHMENT 2 PROCEDURAL EXCEPTIONS MEMORANDUM

To:	Chief Executive Officer
From:	(Relevant Departmental manager)
Prepared by:	
Date:	
Item to be procured:	
Contract File Reference:	

An exemption from the provisions of the Procurement Policy is sought on the following grounds:

- Emergency
- Sole supplier or insufficient quotes
- Minor amendment to scope
- Advantageous time-limited conditions
- Intellectual property
- Absence of competition
- Support from the original supplier

Proposed supplier:

Total value of item to be procured:

Background:

Justification for variance of Policy:

Recommendation:

List of attached proof of exceptional circumstance(s):

Chief Executive Officer Approval:

- Yes No

Comments (optional):



ATTACHMENT 3 TENDER / QUOTE / EXPRESSION OF INTEREST EVALUATION FORM



CM0000.000 - ?

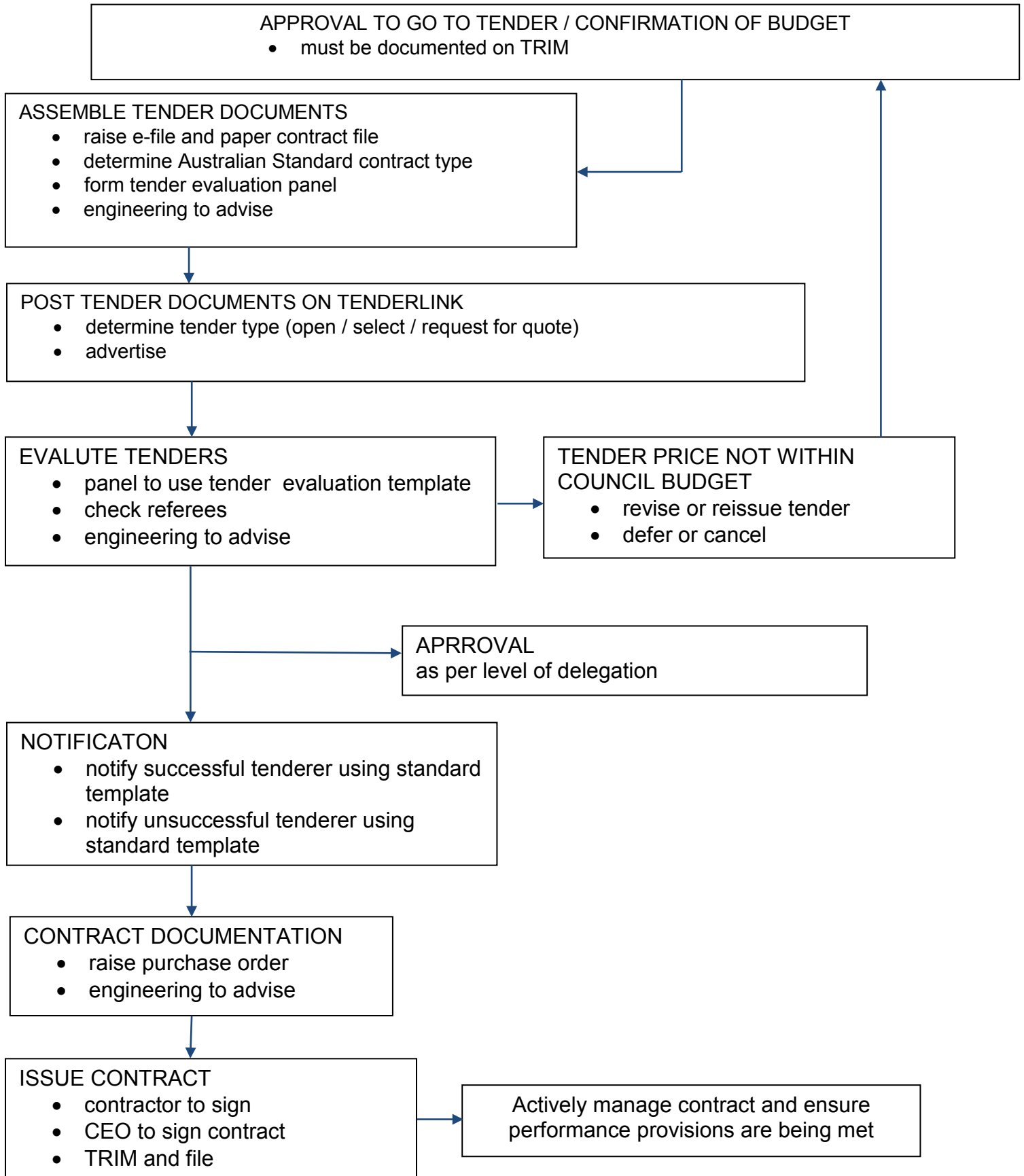
Contract or No.	Company	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Item 7	Item 8	Item 9	Item 10	Item 11	Item 12	Item 13	Item 14	Item 15	Totals (ex GST)
1	Contractor A	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00
2	Contractor B	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00
3	Contractor C	\$10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00
4	Contractor D	\$85,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,000.00
5	Contractor E	\$80,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,000.00
6	Contractor F	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,000.00
7	Contractor G	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,000.00
8	Contractor H	\$40,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,000.00
																	Median \$45,000.00

Evaluation Criteria	Rating (%)	Aggregated scores															
		Contractor 1		Contractor 2		Contractor 3		Contractor 4		Contractor 5		Contractor 6		Contractor 7		Contractor 8	
		Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score	Average Raw Score	Extended Score
Integrated Management System (Environmental Quality & OHS)	20%	2.00	0.40	1.00	0.20	1.00	0.20	3.00	0.60	5.00	1.00	2.00	0.40	1.00	0.20	5.00	1.00
Local Economy Content (local employees / businesses)	10%	3.00	0.30	2.00	0.20	1.00	0.10	3.00	0.30	5.00	0.50	3.00	0.30	2.00	0.20	5.00	0.50
Environmental Sustainability ("green" products & procurement)	5%	4.00	0.20	3.00	0.15	1.00	0.05	3.00	0.15	5.00	0.25	2.00	0.10	1.00	0.05	4.00	0.20
Capability to complete contract (construction methods & program)	5%	5.00	0.25	4.00	0.20	1.00	0.05	3.00	0.15	5.00	0.25	3.00	0.15	2.00	0.10	5.00	0.25
Experience & Performance (qualifications, references & previous work)	10%	1.00	0.10	5.00	0.50	1.00	0.10	3.00	0.30	5.00	0.50	2.00	0.20	1.00	0.10	4.00	0.40
Total price (tendered lump sum)	50%	6.84	3.47	5.83	2.92	6.39	3.19	1.84	-0.97	-1.39	-0.69	1.94	0.97	0.83	0.42	3.06	1.53
		SCORE	4.72	SCORE	4.17	SCORE	3.09	SCORE	0.53	SCORE	1.81	SCORE	2.12	SCORE	1.07	SCORE	3.88

Evaluation Team		Signature	Date
XX	Officer Name		
	Officer Title		
XX	Officer Name		
	Officer Title		
XX	Officer Name		
	Officer Title		



ATTACHMENT 4 TENDER PROCEDURE





ATTACHMENT 4 QUOTATION PROCEDURE

