



Banyule

CITY COUNCIL

Banyule City Council Procurement Policy

May 2011



1 **Principles**

1.1 **Background**

Banyule City Council:

- Recognises that:
 - Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by Council, will enhance achievement of Council objectives such as sustainable and socially responsible procurement; bottom-line cost savings, supporting local economies; achieving innovation; and better services for communities.
 - The elements of best practice applicable to local government 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 a range of functions in the Procurement process);
 - procurement processes, with appropriate procedures covering minor simple Procurement to high value complex Procurement; and
 - a professional approach to all major procurements.
- Requires that its contracting and purchasing activities:
 - 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;
 - span the whole life cycle of an acquisition, from initial concept to the end of the useful life of an asset, or the end of a service contract;
 - achieve value for money and quality in the acquisition of goods, services and works by the Council;
 - can demonstrate that public money has been well spent;



- are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
- seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost while; and
- where practical generate and support business in the local community.

1.2 Scope

This Procurement Policy is made under Section 186A of the *Local Government Act 1989*.

This section of the Act requires the Council to prepare, approve and comply with a Procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the 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 the Council.

1.3 Purpose

The purpose of this Policy is to:

- provide policy and guidance to the Council to allow consistency and control over Procurement activities;
- demonstrate accountability to ratepayers;
- provide guidance on ethical behaviour in public sector purchasing;
- demonstrate the application of elements of best practice in purchasing; and
- increase the probability of obtaining the right outcome when purchasing goods and services.

1.4 Treatment of GST

All monetary values stated in this policy include GST except, where specifically stated otherwise.



1.5 Definitions and Abbreviations

Term	Definition
Act	<i>Local Government Act 1989.</i>
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party e.g. prices, discounts, rebates, profits, methodologies and process information, etc.
Contract Management	The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.
Contractors and Consultants	The staff of contractors, sub-contractors and consultants while engaged by Council
Council Staff	Includes full time and part-time council officers, and temporary employees.
Probity	The dictionary definition of probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within Government, the word "probity" is often used in a general sense to mean "good process." A Procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the Council's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Standing Offer Arrangements (SOA)	A contract that sets out rates for goods and services 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 until a Purchase Order is raised (also referred to as period contracts, annual supply contracts, schedule of rates contracts, or panel contracts)
Sustainability	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Procurement	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
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	<p>Value for Money in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> • contribution to the advancement of the Council's priorities; • non-cost factors such as fitness for purpose, quality, OH&S risks, environmental priorities, service and support; and • cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.
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2 Effective Legislative and Policy Compliance and Control

2.1 Ethics and Probity

2.1.1 Requirement

Council's procurement activities shall be performed with unquestionable integrity and in a manner able to withstand the closest possible scrutiny.

2.1.2 Conduct of Councillors and Council Staff

2.1.2.1 General

Councillors and Council Staff shall at all times conduct themselves in ways that are in accordance with the Councillor Code of Conduct or the Staff Professional Standards Code, 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 who are responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising i.e. staff cannot also work for the supplier or contractor.

2.1.3 Tender Processes

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

2.1.4 Conflict of Interest

Councillors and Council Staff shall 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 shall not participate in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval), where that person has a conflict of interest as specified by the Local Government Act.

The onus is on the Councillor and the member of Council Staff involved being alert to and promptly declaring an actual or potential conflict of interest to the Council.

2.1.5 Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to submit a tender or quotation (to the extent that the minimum required number of quotes has been obtained as per section 2.3.2.2).

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 be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.



2.1.6 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 that a process has been followed and that the process is fair and reasonable.

Therefore the processes by which all procurement activities are conducted will be in accordance with the Council's Procurement policies and procedures as set out in this policy and related Council policies and procedures.

Additionally:

- all Council Staff must be able to account for all Procurement decisions made over the lifecycle of all goods, services and works purchased by the Council and provide feedback on them; and
- all procurement activities are to leave an audit trail for monitoring and reporting purposes.

2.1.7 Gifts and Hospitality

No Councillor or member of Council Staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public who is involved, either directly or indirectly, with any matter that is connected with the duties of the officer, or in which the Council is interested.

Councillors and Council Staff must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and Council Staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how flimsy the evidence available), must be promptly brought to the attention of the CEO.

2.1.8 Disclosure of Information

Information received by the Council that is Commercial in Confidence must not be disclosed.

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

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence; and



- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and Council Staff 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 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 which could have potential contractual implications prior to the contract approval process being finalized, other than authorized pre-contract negotiations.

2.2 Governance

2.2.1 Structure

Council shall:

- establish a procurement management responsibility structure and delegations ensuring accountability, traceability and auditability of all Procurement decisions made over the lifecycle of all goods, services and works purchased by the Council;
- ensure that the Council's Procurement structure:
 - is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by Council;
 - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
 - encourages competition; and
 - ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

2.2.2 Standards

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

- Act,
- Council's policies,



- The Council's Staff Professional Standards Code,
- The Council's Councillor Code of Conduct
- Other relevant legislative requirements such as but not limited to the Trade Practices Act, Goods Act, and the Environmental Protection Act.

2.2.3 Methods

The Council's standard methods for purchasing goods, services and works shall be by:

- requisition and purchase order following a quotation process from suppliers of goods and 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, Victorian Government, and commercial schemes such Strategic Purchasing, MAV Procurement and other bodies;
- purchasing card
- via the petty cash and other reimbursement systems.

unless other arrangements authorised by the Council or the CEO on a needs basis as required by abnormal circumstances such as emergencies.

Council may, at its 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/expression of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

Expressions of Interest (EOI) 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 ahead of formal tender processes such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project,
- tendering costs are likely to be high and Council seeks to ensure that companies incapable of supplying the requirement don't incur unnecessary expense,



- it is necessary to pre-qualify suppliers and goods to meet defined standards, and
- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

Additionally, for highly complex projects the Council may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by Council. Such sequential tenders may or may not be preceded by the registration of interest phase as required by the Council based on the actual needs of the project.

2.2.4 Responsible Financial Management

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

Accordingly, to give effect to this principle: the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any Procurement action for the supply of goods, services or works.

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

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. Efficient and effective procurement of goods can be achieved by careful forecasting of requirements and optimising stock levels by determining the economic order quantity.

2.3 Procurement Thresholds and Competition

2.3.1 Requirement

Council will from time to time decide and publish in this policy clear guidelines for minimum spend competition thresholds. These will be decided based on the size and complexity of the proposed Procurement activities.

2.3.2 Minimum Spend Competition Thresholds

2.3.2.1 Tenders

Purchase of all goods and services for which the estimated expenditure exceeds \$150,000, and building and construction works for which the estimated expenditure exceeds \$200,000, must be undertaken by public tender as per thresholds contained in the Local Government Act. Such expenditure value should be based on the anticipated aggregated expenditure value over the period of engagement.

However, should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a



better result for the Council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds.

2.3.2.2 Quotations

Purchase of goods and services for which the estimated expenditure is less than \$150,000, and building and construction works having a total valuation of less than \$200,000, may be undertaken using the procurement by quotation method as described below:

- **Items with a value \$501 to \$2,000. – Request for Quotation**

A minimum of **one** telephone or written quotation must be obtained and the details recorded before placing an order and documented on/with Council's Purchase Summary Form and retained on the appropriate file.

- **Items with a value \$2,001 to \$15,000 – Request for Quotation**

A minimum of **two** or written quotations must be obtained and the details recorded before placing an order and documented on/with Council's Purchase Summary Form and retained on the appropriate file.

The order must be placed with the supplier offering the best value for money price for acceptable goods or services.

- **Items with a value \$15,001 to \$100,000 – Request for Quotation**

A minimum of **three** written quotations must be obtained and the details recorded before placing an order and documented on/with Council's Purchase Summary Form and retained on the appropriate file.

The order must be placed with the supplier offering the best value for money price for acceptable goods or services.

- **Items with a value \$100,001 to < \$150,000 (Goods & Services) and < \$200,000 (Building & Construction Works) – Request for Quotation**

A minimum of **three** written quotations must be obtained **via a formal Request for Quotation document with Contract No. allocated and a set Closing Date** (incorporating Conditions of Quotation, Conditions of Contract, and a detailed Specification), and the details recorded before placing an order and documented on/with Council's Purchase Summary Form and retained on the appropriate file.

The order must be placed with the supplier offering the best value for money price for acceptable goods or services.



All prospective contractors and suppliers must be afforded an equal opportunity to submit a tender or quotation (to the extent that the minimum required number of quotes has been obtained)

- **Public Advertising.**

Request for quotations may be advertised in the media at the Council Staff member's discretion. This may occur when a field of potential tenderers hasn't been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices, etc.

- **Insufficient Quotations.**

The situation may arise where insufficient quotations are received to satisfy the above requirements.

This may occasionally occur where there are few local suppliers for the goods, services or works being sought or the work is highly specialised. In this case, the details of the contacted suppliers must be recorded on the Purchase Summary Form or recommendation and an appropriate comment recorded.

Where a quotation/price has been obtained from a supplier under a Standing Offer Arrangement or under an aggregated purchasing arrangement, then it is optional whether to seek other quotations, as the purchase has already been subjected to a public tendering process.

2.4 Delegation of Authority

2.4.1 Requirement

Delegations define the limitations within which Council Staff are permitted to work. Delegation of procurement authority allows specified Council Staff to undertake certain purchases, quotation, tender and contractual processes without prior referral to the Council. This enables the Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

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

As such, Council has delegated responsibilities as detailed below 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.

2.4.2 Delegations

2.4.2.1 Council Staff



The Council shall maintain a documented scheme of Procurement Delegations, identifying Council Staff/positions/bandings authorised to make such procurement commitments in respect of goods, services and works on behalf of Council, to include but not necessarily limited to the following delegations contained in Council's Instrument of Delegation and Instrument of Sub-Delegation as issued by the Chief Executive Officer:

- Authorise expenditure (including invoices) and award contracts (based on anticipated expenditure level)
- Contract term extensions and variations (within authorised budget)
- Sign Letters of Acceptance on behalf of Council to enter into contracts
- Sign and issue Council Purchase Orders
- Credit Card purchases

2.4.2.2 Council Delegations & Powers

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

- Tender recommendations (above the CEO delegated limit).
- Initial awarding signing and sealing of contract documents (above the CEO delegated limit).
- Contract term extensions (above the CEO delegated limit) not covered by the initial Council Report.

2.5 Internal Controls

Management will install and maintain a framework of internal controls over procurement processes that will try and ensure:

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



- Members of staff, regardless of their expenditure delegation cannot approve expenditure where they are the beneficiary of the services provided

2.6 Commercial Information

Procurement activities will be carried out in a way that supports Council staff in meeting their obligations - to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with the relevant Council guidelines.

2.7 Risk Management

2.7.1 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 the Council's capability to prevent, withstand and recover from interruption to the supply of goods services and works.

2.7.2 Supply by Contract

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

The Council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses and specific requirements (such as relevant insurances, Job Safety & Environmental Analysis', preference for suppliers with accredited management systems, etc.);
- requiring security deposits where appropriate;
- referring specifications to relevant experts;
- requiring contractual agreement before allowing the commencement of work;
- use of or reference to relevant Australian Standards (or equivalent); and
- effectively managing the contract including monitoring and enforcing performance.



2.8 Contract Terms

All contractual relationships (either under Purchase Order or Contract) must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be obtained from an appropriate/authorised member of Council Staff. A request for such an approval should be supported with procurement and legal advice as relevant.

To protect the best interests of Council, terms and conditions must be settled in advance of any commitment being made with a supplier.

2.9 Endorsement

Council Staff must not commercially endorse any products or services. Individual requests received for endorsement must be referred to Director level or above.

2.10 Dispute Resolution

All Council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes getting out of hand and leading to legal action.

2.11 Contract Management

The purpose of contract management is to ensure that Council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality, quantity and timeliness as intended by the contract by:

- establishing a system monitoring and achieving the responsibilities and obligations for both parties under the contract; and
- providing a means for the early recognition of issues and performance problems and the identification of solutions; and
- adhering to Council's Risk Management framework and to relevant Occupational Health and Safety compliance procedures.

All Council contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed and documented by a qualified/trained member of Council staff or external Contract Superintendent, responsible for the delivery of the contracted goods, services or works to ensure the Council receives Value for Money. All attempts will be made to ensure staff have the necessary qualifications and training.



3 Demonstrate Sustained Value

3.1 *Integration with Council Strategy*

The Council procurement strategy shall support its corporate strategy, objectives and key priorities as per the City Plan, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community such as:

- feeling safe,
- living in a clean and pleasant environment, and
- receiving good quality well managed Council services that are Value for Money

3.2 *Achieving Value for Money*

3.2.1 Requirement

Council's procurement activities will be carried out primarily on the basis of obtaining Value for Money.

This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations.

3.2.2 Approach

This will be facilitated by:

- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout;
- effective use of competition;
- using aggregated contracts and Standing Offer Arrangements (SOA) where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- developing a cost efficient tender process including appropriate use of e-Tendering solutions;



- Council staff responsible for providing procurement services or assistance within the Council providing competent advice in terms of available products and agreements; and
- working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

3.2.3 Role of Specifications & Drawings

Specifications & drawings used in quotations, tenders and contracts are to support and contribute to the Council's Value for Money objectives through being written in a manner that:

- ensures impartiality and objectivity;
- encourages the use of standard products;
- encourages sustainability; and
- eliminates unnecessarily stringent requirements.

3.3 Performance Measure and Continuous Improvement

Appropriate performance measures are to be established and reporting systems will be used to monitor performance and compliance with procurement policies, procedures and controls.

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

The performance measurements developed will be used to:

- Highlight trend and exceptions where necessary to enhance performance;
- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers; and
- Facilitate programmes to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.



3.4 Sustainability

3.4.1 General

Council is committed to achieving sustainability and ensuring it monitors and reports on Council activities and programs that have an impact on or contribute to the environment including but not limited to:

- waste management;
- recycling;
- energy management;
- emission management;
- water conservation;
- green building design; and
- procurement.

3.4.2 Sustainable Procurement

Council is committed to adopting a Green Procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a Value for Money basis. Council has Environmental Purchasing Guidelines that assist with the acquisition of sustainable products.

Value for Money purchasing decisions made by Council are made on the basis of whole-of-life cost and non-cost factors, including contribution to the Council's sustainability objectives.

Council prefers to purchase environmentally preferred products whenever they achieve the same function and value for money outcomes.

In accordance with Council's Environmental Purchasing Guidelines Council will therefore consider the following environmentally sustainability criteria in context with the above:

- Reduce, Reuse, and Recycle

Council is committed to reduce resources, consumption and minimise waste during the procurement life cycle, including:

- Council shall encourage and prefer Eco-friendly products which are more energy efficient.



- Council prefers to purchase from sources which offer environmentally friendly products
 - Council's procurement projects should automatically consider the provision of re-use and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.
-
- Buy Recycled:

The Council is committed to buy recycled/part recycled products where practical to optimise consumption and stimulate demand for recycled products, promoting the collection and reprocessing of waste and working towards zero discharge to the landfill.

- Green the Supply Chain:

Council shall encourage Council suppliers to adopt good environmental practices.

Council will actively promote green procurement throughout its supply chain and ensure that the evaluation/selection process is cognizant of the need to minimize environmental impact.

3.5 Support of Local Business

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

4 Apply a Consistent and Standard Approach

Council will provide effective and efficient commercial arrangements for the procurement of goods and services



4.1 Standard Processes

Council will provide effective commercial arrangements covering standard products and standard service provisions across the Council via a Preferred Supplier List to enable employees to source requirements in an efficient manner.

This will be achieved via establishing the following:

- Pricing where relevant;
- Processes, Procedures and techniques;
- Tools and business systems (e.g. implementing the appropriate e-Tendering, e-Evaluation, e-Catalogue or e-Sourcing arrangements);
- Reporting requirements
- Application of standard contract terms and conditions.

4.2 Management Information

Council will capture Procurement management information in a variety of areas, such as:

- Volume of spend
- Number of transactions per supplier
- Supplier performance and user satisfaction
- Category management (grouping of purchases by spend categories)

Council will also use external sources of management information to assist with the procurement decision making process including:

- Benchmarking data
- Information from professional bodies
- Supplier reports

5 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 the market on



its own, participate in regional or sector aggregated projects, to access State Government panel agreements, or other means. Council will consider supply arrangements that deliver the best value outcomes for council in terms of time, cost, value and outcome.

5.1 *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 programmes and performance measurements to ensure the benefits are delivered;
- Maintaining approved/preferred supplier lists; and
- Developing new suppliers and improving the capability of existing suppliers where appropriate.

5.2 *Supply Market Development*

A wide range of suppliers are encouraged to compete for Council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local businesses
- Green (environmentally sustainable) suppliers
- Small to medium sized enterprises (SME's)
- Voluntary and community organisations

5.3 *Relationship Management*

Council is committed to developing constructive long-term relationships with suppliers. It is important that the Council identifies its key suppliers so that its efforts are focused to best effect. Such areas may include:

- Size of spend across the Council
- Criticality of goods / services to the delivery of the Council's services
- Availability of substitutes



- Market share and strategic share of suppliers

5.4 Communication

External communication is very important in ensuring a healthy interest from potential suppliers and partners to the Council. The external website will provide:

- A list of existing and forthcoming contract opportunities,
- Guidelines for tendering and doing business with Council,
- Links to tender documentation available to prospective suppliers to download free of charge.

6 Continual Improvement

Council is committed to continuous improvement and will review the procurement policy on an annual basis, to ensure that it continues to meet its wider strategic objectives.

7 Policy Contact Details

The Manager, Financial Services, Banyule City Council is the contact for this Policy.

For further information on the policy, please contact via email: enquiries@banyule.vic.gov.au or phone 9490 4222.