

Procurement Policy

Board Policy

Objective

This Policy sets out to provide Goulburn-Murray Water (GMW) management and staff with a clear statement of their responsibilities and limitations in regard to procurement activities.

Scope

This Policy applies to GMW employees and contractors that are:

- responsible for (or involved with) purchasing (or approving the purchase of) goods or services on behalf of GMW; or
- accountable for managing contracts or relationships with GMW's suppliers.

Procurement processes excluded from this Policy include:

- Legislated purchases and commitments
- Employment Agreements
- Real estate acquisitions, disposal and leases
- Emergency declared by the General Manager

Procurement exemptions are to be reported to the Board

Breaches of the Policy

Breaches of this policy will be managed according to GMW's Enterprise Agreement, Unsatisfactory Behavior, Performance and Misconduct.

Procurement Thresholds

The following market approaches outline the minimum requirements. Procurement must represent fair market value, additional proposals should be sourced if required.

General Goods and Services (incl. GST)			
Value threshold (per engagement)	Value for Money Approach	Process and Approval	Contract Type
Up to \$1,000	One quote	Financial delegate approval	GMW Terms & Conditions (Purchase Order) where possible
Above \$1,000, but less than \$50,000	One written quote	Financial delegate approval	GMW Terms & Conditions (Purchase Order) Established Panel Agreement State Purchasing Contract

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Above \$50,000, but less than \$200,000	Three written quotes	Procurement plan Financial delegation approval	GMW Terms & Conditions (Purchase Order) VPS Goods/Services Agreement Established Panel Agreement State Purchasing Contract
Above \$200,000	Open tender	Procurement plan Financial delegate approval	VPS Goods/Services Agreement Established Panel Agreement State Purchasing Contract

Construction Works and Construction Services (incl. GST)

Value threshold (per engagement) ¹	Value for Money Approach	Process and Approval	Contract Type
Up to \$50,000	One written tender, which is consistent with market prices	Procurement plan Financial delegate approval	VPS Construction Contract Established Panel Agreement State Purchasing Contract (SPC)
Above \$50,000, but less than \$200,000	At least three written tender responses sought	Procurement plan Financial delegation approval	VPS Construction Contract Established Panel Agreement State Purchasing Contract (SPC)
Above \$200,000	Open tender	Procurement plan Financial delegate approval	VPS Construction Contract Established Panel Agreement State Purchasing Contract (SPC)

Exemptions

On unavoidable occasions where the Value for Money Approach, as detailed in the Procurement Thresholds, cannot be followed, an exemption may be sought.

The following financial delegations apply:

Procurement Exemptions (incl. GST)				
Function Delegated	MD	Cat 1 (ELT)	Cat 2 (SLT)	Cat 3
Procurement Exemption	>\$500,000	≤\$500,000	-	-

Note:

- All exemptions must be endorsed by the Manager Commercial, prior to submission to the General Manager
- Exemptions relating to IT projects must also be endorsed by the Manager Information Technology

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- Exemptions >\$500,000 must also be endorsed by a General Manager, prior to submission to the Managing Director

Valid reasons (not exclusive) for seeking an exemption include:

- Matters of urgency, associated with protection of human, animal or plant life
- Where specialized goods or services are required, and there is not enough competition in the market to seek the minimum number of quotes required
- Procurement of a prototype, for trial proposes

Probity

GMW representatives (and contractors acting on GMW's behalf) are:

- accountable for ensuring that procurement decisions are supported by ethical, impartial and objective processes and appropriate documentation.
- to avoid any relationship, whether financial or otherwise, with potential or existing suppliers that could be seen as influencing your judgement
- avoid placing oneself in situations of potential Conflicts of Interest
- submit a Conflict of Interest and Gifts Declaration via the Integrity Register (<https://gmwater.okta.com/app/UserHome>) as and when required
- bound to the Code of Conduct for Victorian Public Sector Employees (<https://vpsc.vic.gov.au/html-resources/code-of-conduct-for-victorian-public-sector-employees/>)

VGPB Supply Policies

All staff and contractors engaged in the procurement of goods and services must comply with supply policies issued by the Victorian Government Purchasing Board (VGPB) in accordance with section 54L of the FMA. (<https://www.buyingfor.vic.gov.au/victorian-government-purchasing-board-vgpb>)

Social Procurement

GMW shall have a Social Procurement Strategy, which represents a commitment to influence the creation of collective prosperity and enhance the wellbeing of our communities.

The Social Procurement Strategy will:

- comply with Victoria's Social Procurement Framework, and
- define GMW's Social Procurement Key Performance Indicators

Responsibilities

Responsibility	Who
Approval	Board

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Responsibility	Who
Endorsement	Managing Director
Ownership and implementation	General Manager Business and Finance

Definitions

Policy rules that **must** be complied with in undertaking procurement are denoted by the term 'must'. The term 'should' or 'guideline' indicates good practice.

Document history

Doc #	Date approved	Approved by	Approval #
A3839683	09/12/2020	Board	A3859169
A3048806v6	27/02/2019	Board	A3450976
A3048806v2	26/10/2016	Board	DM4267797
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