

## 3.2 PROCUREMENT POLICY 2019 UPDATE

Responsible Officer: Danny Wain, Chief Financial Officer

### **RECOMMENDATION**

*That Council adopts the updated Procurement Policy 2019, in accordance with s. 186A of the Local Government Act 1989 and places a copy on Council's web site, [www.monash.vic.gov.au](http://www.monash.vic.gov.au).*

### **BACKGROUND**

Section 186A of the *Local Government Act 1989* (the Act) requires Council to *review its Procurement Policy at least once every financial year and make it available for public inspection.*

### **DISCUSSION**

The Procurement Policy adopted by Council in August 2018 still largely reflects the model policy developed by the MAV in consultation with the Local Government sector and the document meets the requirements of the Act.

Aside from some basic wordsmithing and grammar changes, a summary of the key updates, including advice from Council Strategy briefing on 13/8/2019 follows:

<b>2.1.4 Conflict of Interest</b>	Added clarity about when a signed conflict of interest is required.
<b>2.1.8 Disclosure of Information</b>	Added clarity about Council's ability to publish award information including contract value. This right is also published in the process contract that forms part of a tender/quotation pack that is published to suppliers during a quotation and tender process.
<b>2.3.2.2 Quotations</b>	Further detail added to improve clarity.  The section headed 'Insufficient quotations' is proposed to be deleted because it is not consistent with the quotations table above it.
<b>2.3.2.3 Consultancy Engagement</b>	Further clarity has been added to ensure that the definition is better alignment with the Department of Treasury and Finance definition.  Future Consultancy engagement reports to Council will also include 'current' engagements that have not yet been completed.

<b>2.7.7 Insurance and Indemnity Requirements</b>	For Tenders, Public Liability and Professional Indemnity insurance requirements are generally set at \$20,000,000 or higher depending on risk assessment.  As such, clarity has been added to the requirement for minimum insurance within contracts exceeding \$50,000.
<b>3.4.2 Sustainable Procurement</b>	Climate change impact has been added to the list of sustainable procurement considerations.

### **Sustainable Procurement**

At the Council Strategy briefing on 13/8/2019, it was also agreed that Procurement would facilitate a working group to explore and implement initiatives and processes to further improve sustainability outcomes during procurement activity.

This will include the establishment of a working group and benchmarking to better understand current best practice initiatives.

The outcomes of this process will be presented to Council and any agreed process and policy implications will implemented thereafter.

### ***POLICY IMPLICATIONS***

Adoption by Council of the Procurement Policy requires that an annual review of the policy be undertaken and that the Policy be placed on Council's Internet website, [www.monash.vic.gov.au](http://www.monash.vic.gov.au).

### ***CONSULTATION***

This Policy review has included Council advice from the Strategy briefing on 13/8/2019, feedback and input from Council's Sustainability Department, Strategic Procurement and the Chief Financial Officer of Council.

### ***FINANCIAL IMPLICATIONS***

There are no financial implications with the adoption of the Procurement Policy.

### ***CONCLUSION***

That Council adopts the attached draft Procurement Policy.