



**ABORIGINAL HOUSING VICTORIA**

## *Procurement Policy*

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## 1. Purpose

The purpose of the Aboriginal Housing Victoria (AHV) Procurement Policy is to ensure that the procurement of goods and services is aligned with AHV's broader organisational objectives and strategic direction and is undertaken in an honest, competitive, fair and transparent manner that delivers the best value for money, while protecting the reputation of AHV and the community housing sector and upholding the vision of AHV.

## 2. Scope

This policy applies to all contracting and procurement activities at AHV and is binding upon all AHV staff, Board members, contractors and consultants while engaged by AHV.

All procurement processes are to be conducted in accordance with the requirements of this policy.

## 3. Cultural statement

The First Nation peoples of Australia have the oldest continuous cultures in the world. Aboriginal Housing Victoria celebrates and takes pride in the rich and spiritual culture, values and practices of Australia's First Nations peoples. We celebrate the significant contribution made by Aboriginal and Torres Strait Islander people and culture to the enrichment of Victorian society, and we acknowledge and respect the special place of Victorian traditional owners as Victoria's First Nations peoples.

As an Aboriginal Community Organisation we acknowledge that our legitimacy is derived from the strong relationships we have with Victoria's Aboriginal communities and our success is through achievement of our shared vision and aspirations.

Our vision is that **Aboriginal Victorians secure appropriate, affordable housing as a pathway to better lives and stronger communities.**

We believe that achievement of our vision is through the provision of housing services which enhance the dignity of our clients and tenants and which respects and celebrates their cultural beliefs, values and practices.

Our policies and procedures are designed so that our practice and service delivery is in accord with this cultural statement.

## 4. Relevant legislation and regulations

AHV will undertake all contracting and procurement activities in accordance with the standards covered by the following legislative frameworks:

- Corporations Act 2001 (Cth);

- Competition and Consumer Act 2010 (Cth).
- Australian Consumer Law and Fair Trading Act 2012 (Vic)
- Fair Work Act 2009 (Cth);
- Modern Slavery Act 2018 (Cth);
- Working with Children Act 2005 (Vic);
- Working with Children Regulations 2016 (Vic);
- Freedom of Information Act 1982 (Cth);
- Occupational Health and Safety Act 2004 (Vic);
- Goods Act 1958 (Vic);
- Equal Opportunity Act 2010 (Vic); and
- Environmental Protection Act 2017 (Vic).

AHV is committed to reducing any form of disadvantage which Aboriginal people experience. As such, AHV takes specific positive strategies which are intended to attract, train and support Aboriginal employees and promote Aboriginal employment opportunities. These strategies are recognised as “special measures” under the Equal Opportunity Act.

These measures are lawful and “recognise the need for different approaches to overcome the practical effects of disadvantage and discrimination. Some groups that have been disadvantaged by discrimination in the past may need special assistance to address that disadvantage, rather than simply being treated equally or the same in a formal sense.”

## 5. Responsibilities

<b>Board</b>	To approve the policy, monitor performance and review regularly and amend when necessary.
<b>CEO</b>	To oversee and monitor the policy implementation
<b>Directors</b>	To implement the policy
<b>Managers</b>	To administer the policy
<b>Staff</b>	To adhere to the policy when procuring goods and services

## 6. Definitions

<b>Approved Supplier</b>	An Approved Supplier is appointed as a result of a tender or other selection process in accordance with the threshold values established in this policy.
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	Approved Suppliers sometimes are referred to as Preferred Suppliers or Preferred Contractors.
Aboriginal Business	<p>A business or community organisation that meets all of the following criteria:</p> <ol style="list-style-type: none"> <li>1. 50% or more Aboriginal owned;</li> <li>2. is operating as a business, including companies, incorporated associations, sole traders, partnerships, trusts and social enterprises or registered charities if they are operating as a business;</li> <li>3. can demonstrate that the Aboriginal and Torres Strait Islander people are involved in the daily operation of the enterprise and have effective control at least equal to the degree of ownership; and</li> <li>4. is registered with a certifying authority (for example: Kinaway or Supply Nation) as meeting the definition or can prove the ownership of Aboriginal or Torres Strait Island owner.</li> </ol>
ACCO	Aboriginal Community-Controlled Organisations.
Best Value for Money Outcome (BVMO)	The outcome that gives the best value for money for AHV overall. This does not necessarily mean the lowest price or the result that just delivers the lowest cost. In many instances the selection of a Supplier or their products should take into account other non-price considerations such as quality, supply timing and the lowest overall Total Cost of Ownership (TCO) over the life/duration of the goods/service being received. TCO should also consider inputs to the manufacture and maintenance of a product such as energy, water, natural resources and importantly, the cost of environmentally responsible disposal at end of life. Measurable benefits that are non-financial such as social, economic and cultural benefits as an example.
Commercial in Confidence	<p>Information that, if released, may prejudice the business dealings or commercial interests of AHV, or another party.</p> <p>Examples may include. prices, discounts, rebates, profits, methodologies and process information, any unique intellect or technology/technique, etc.</p>
Contract	<p>A formal and legally binding agreement. The use of the term ‘contract’ in this policy refers to:</p> <ul style="list-style-type: none"> <li>• A contract or agreement to provide goods or services to AHV, such as a contract to clean the AHV head office or an agreement to purchase new equipment for AHV properties.</li> <li>• A contract or funding (Grants) and service agreements for the delivery of services, programs, or projects by AHV, such as an agreement with Family Safety Victoria to deliver case management support to renters impacted by family violence.</li> </ul>

Documented Quote	A formal document initiated by a Buyer and forwarded to a Supplier normally used to form the basis of a one-off contract between the parties for the supply of goods and/or services to the Buyer.
Fit for Purpose	Fit for Purpose means appropriate, and of a necessary standard, for its intended use.
Probity	Is the evidence of ethical behaviour in a particular process. Probity is defined as complete and confirmed integrity, uprightness, and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants
Procurement	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.
Disadvantaged business or entity	A small business which is owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages or discrimination.

## 7. Policy Principles

The key objectives and principles of the Procurement Policy that AHV will apply to ensure the fundamental best practice principles to procurement, irrespective of the value and complexity of the procurement:

- Accountability: ensure **accountability** of the decision making, responsibility and due diligence in procurement processes;
- Probity Pillars: ensure the procurement of goods and services is conducted in a **none Conflict of interest, impartiality (no bias), honest, competitive, fair, confidential and transparent** manner;
- Social Procurement: ensure the procurement of goods and services includes positive strategies which promote **Aboriginal employment or business engagement**;
- Value for Money: ensure the procurement of goods and services achieves **value for money** and other non-financial benefits as defined above;
- Code of conduct: ensure mechanisms are in place to deal with any **breaches in probity or this procurement and contract management policy**.
- Risk management: ensure good management of risk associated with procurement and contracts;
- **Best Practice** in Procurement: demonstrate the application of best practice in procurement activities in line with current trends and technology where it will benefit AHV operations; and

- **Collaboration:** where it is of beneficial and value to AHV, other Aboriginal business or social housing entities (ACCOS-Aboriginal Community-Controlled Organisations) or Aboriginal Community in-large, AHV will either lead or engage in such procurement opportunities.

## 8. Procurement

### 8.1 Probity and Probity Principles

Probity should be integrated into all procurement planning and should not be a separate consideration. Risk management of probity in the procurement process requires a higher level of control (mitigation) over the procurement process where there is a higher likelihood of exposure to claims about the process.

In summary, procurement decisions are to be made in a transparent manner, which allows them to be clearly understood and justified subsequently.

AHV is dedicated to ensuring that decisions conform to all the general principles associated with probity.

Staff should consult with AHV's Probity and Procurement Officer or Chief Financial Officer (CFO) if unsure of their position in any probity issue that relates to AHV matters.

#### 8.1.1 Conflict of interest

As a not-for-profit, Aboriginal community-controlled organisation, AHV must be impartial and fair in our dealings with clients, key stakeholders, and the general public. Their trust, confidence and support of AHV's goals and objectives are necessary if we are to do our job well.

A conflict of interest arises where personal associations or interests interfere with professional conduct. Staff, contractors and Board members must avoid conflicts of interest at all times, conducting themselves with honesty, fairness and propriety.

The management of conflict of interest is covered by the Staff Code of Conduct, Code of Conduct for Contractors and Board Conflict of Interest Policy, and individuals must declare any potential or actual conflict of interest in accordance with these policies.

#### 8.1.2 Fair and honest dealing

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

Any suspected improper conduct, including suspected fraud, corruption, substantial mismanagement of resources, risk to public health and safety, risk to the environment, or detrimental action should be managed in accordance with AHV's internal policies and processes (Section 9).

### 8.1.3 Accountability and transparency

Accountability in procurement means being able to justify and provide evidence of the process followed. An independent third party (internal or external) must be able to see clearly that a process has been followed and that the process was fair and reasonable.

Staff must be able to account for all procurement decisions and ensure all procurement activities leave an audit trail for monitoring and reporting purposes. Staff should also:

- be helpful in facilitating discussions of **current approaches** with suppliers to promote genuine engagement.
- be inclusive in enabling new and **innovative approaches** to be adopted, if required.
- tailor **activities** to the organisation's needs which involves internal expertise, through to engaging external specialist advice for more complex procurement and other decisions; and
- be pragmatic in having **different approaches** according to the value, urgency, and general nature of the procurement.

### 8.1.4 Disclosure of information and confidentiality

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

Board members and staff must take all reasonable measures to maintain confidentiality of:

- information disclosed by organisations in tenders, quotation or during tender negotiations; and
- commercial in confidence information.

Board members and 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 about what is being offered by that supplier.

At no stage should any discussion be entered into which could improperly influence the procurement process or negotiation of a contract prior to finalising the contract approval process, other than authorised pre-contract negotiations.

Any disclosure of information must be done in thoughtful and balanced consideration of transparency principles, where any disclosed information:

- should not breach any Privacy laws;
- should be relevant to the interested party; and
- would not disadvantage (commercially or non-commercially) any party's position (including AHV).



## 8.2 Value for money

AHV will use funds in such a manner that the best return and performance for the money spent is being obtained.

The achievement of value for money can be driven through each stage of the procurement process, from procurement planning to contract management.

The benefits of the procurement are considered against the costs necessary for the optimum result for the AHV and community. AHV is not required to accept the lowest offer. Instead, AHV must consider issues such as but not limited to fit-for-purpose considerations, quality, price, service support, warranty, and other factors relevant to the overall sound contracting principles.

## 8.3 Policy application

This policy applies to all procurement and contracting activities undertaken by the AHV and is binding upon AHV and its officers, temporary employees, contractors and consultants while engaged by AHV.

The procurement applies to all AHV expenditures and legally binding commitments regardless of funding source.

## 8.4 Governance structure

Governance in the business model represents the bridge between policies and procedures/guidelines for any operation. AHV will:

- 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 AHV.
- Ensure that AHV's' procurement structure:
  - is flexible enough to purchase in a timely manner the diverse range of materials, goods, works and services required by AHV;
  - ensures that prospective contractors and suppliers are afforded an equal opportunity to tender or submit quotes; and
  - encourages competition and, where applicable and beneficial conducts procurement in collaboration with other similar social entities.

### 8.4.1 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.

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

Staff must not propose a procurement and approve the same procurement.

Staff and Board Members must not disclose allocated tender budgets to suppliers, unless justified, and agreed in writing internally by Directors or CEO to do so.

AHV 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.

#### **8.4.2 Procedural Overview**

Strategic procurement requires accountability for the spending of AHV funds which is justified, planned and transparent. Goods, services and works procured must be Fit for Purpose and represent value for money while being socially responsible and ensuring probity in the procurement process.

Where applicable procurement should be assessed on the business case (Recommendation Report or Board Paper) presented, ensuring the Supplier/Contractor has the necessary skills to perform the service, the ability to mitigate against risks, be consistent with AHV's vision and objectives and be able to deliver the service on time.

Purchases from all suppliers must be transacted through an official purchase order, or when a corporate credit card is used in accordance with the Credit Card Policy.

### **8.5 Collaborative procurement arrangements**

AHV Staff may consider any opportunities for Collaborative Procurement. Any award paper that recommends entering into a contractual arrangement will set out information relating to opportunities for a Collaborative Procurement Arrangement, including:

- the nature of those opportunities, if any, and the entities (for example ACCOs) with which they are available; and
- why AHV did pursue the identified opportunities for collaboration in relation to that Procurement process.

### **8.6 Risk management**

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

Procurement and contract life cycle Risk should be assessed as per **AHV Risk Management Policy and Procedure**.

Where applicable, a Risk Register should be set for any dedicated procurement or whenever directed by the CFO or CEO.

## Low Risk Procurements

Relatively low risk procurements - typically low cost and with little complexity up to any value and with no formal tender process – where, in consideration of the general principles of this policy, the delegated employee can discuss and proceed with the procurement subject to agreed terms and price. Agreement can be made in a formal meeting or over the telephone, or via written correspondence (e.g. email).

## High Risk Procurements

For higher risk (typically higher cost and complexity procurements run via obtaining written quotes or through an open tender), it is appropriate to implement more rigor in dealing with suppliers. This may include formalised approaches to handling requests from suppliers, specified probity roles and utilising additional expertise for more complex procurements, where necessary.

### 8.7 Procurement thresholds

AHV has established procurement procedures according to set threshold values of the purchase, service or works, as follows:

#### Procurement threshold values

Path no	Type of Purchase	Risk	Threshold **	Requirements
Path 1	Simple	Any Risk Level	\$0 - \$5,000	1 written quote
Path 2	2 Quote Threshold	Any Risk Level	\$5,001 - \$25,000	Minimum 2 written quotes obtained
Path 3	3 Quote Threshold	Any Risk Level	\$25,001 - \$250,000	Minimum 3 written quotes obtained
Path 4	Tender Threshold		\$250,000 +	Tender Process

\*\* All numbers are Excluding GST

For purchase of goods and/or services from **non-Approved** Suppliers less than:

- Path 1: The One Quote Threshold but more than the Simple Threshold, at least one quote must be received from at least one supplier;
- Path 2: Minimum Two written Quote Threshold, a documented quote must be received from at least two suppliers;
- Path 3: The Three written Quote Threshold, but less than the Tender Threshold, a documented quote must be **received** from at least three suppliers; and
- Path 4: For the purchase of goods and/or services from non-Approved Suppliers in excess of the Tender Threshold a formal tender process must be conducted and evaluated by an appointed Tender Committee.

**The threshold values are to be applied to the anticipated total expenditure, accumulated over the contract term including any extensions and excluding GST.**

**The authorisation of procurement must be approved in-line with the AHV Delegations of Authority.**

**Where applicable and relevant to any procurement exercise, AHV staff are to ensure that the contractor complies with the AHV Code of Conduct for Contractors in the tender process. Also, it must be referred to in the contract pack and attached to the contract pack.**

**Path 1  
Simple /  
0 - \$5000 / Not  
Repetitive**

Receive at least one Quote

Clear Scope

know your supplier

Receive and Evaluate

Award and raise PO or WO for approval by delegated officer

**Path 2  
Medium /  
\$5001 - \$25K**

Obtain at least two Quotes

Develop a Scope of Work or Specification

Chose a Contract / Agreement Type

Receive and Evaluate

Contract Approve and Award

Sign by Director of Operation or Manager

Contract Manage

**Path 3  
Complex /  
\$25,001 to  
\$250K**

Obtain at least three Quotes

Develop Scope of Work or Specification

Chose a Contract / Agreement Type

Receive and Evaluate

Contract Approve and Award

Contract Manage

**Path 4  
Complex / More  
than \$250K**

Release in the eTender Portal  
Public Tender

Develop Business Case if Required

Develop Scope of Work or Specifications

Develop Risk Analysis

Choose Contract / Agreement Type

Receive and Evaluate

Contract Approve and Award

Requires CEO and Board Approval

Contract Manage

## 8.8 Preferred procurement to Aboriginal suppliers

Aboriginal Housing Victoria aims to increase economic participation of Aboriginal businesses and Aboriginal people through our purchasing. Wherever possible and within the bounds of practicality, AHV will provide preferential status to positively advantage Aboriginal businesses. This includes businesses committed to engaging Aboriginal employees and subcontractors.

AHV aims to increase our spending on Aboriginal businesses. Clear and accurate data reporting on AHV spending with Aboriginal businesses will be enabled by deploying procurement forms to identify and register Aboriginal businesses in the finance system. The reporting must be structured in any procurement and finance mechanism, and this will allow and provide the ability to monitor and grow on these targets year by year.

Also, complex procurement forms like public tenders or complex RFQs or tenders have a social procurement provision that allows for inclusivity from both tender assessment and contractual commitments. These provisions can be negotiated and added to the contract as dedicated KPIs (key performance indicators) and measures. In summary, social procurement conditions will have contract clauses that encourage suppliers to engage Aboriginal businesses.

AHV has introduced three specific initiatives aimed at targeting and improving the engagement of Aboriginal businesses and materially grow spend with Aboriginal organisations year on year. These initiatives are:

### Initiative No. 1 – Public Tender Process

AHV will deploy in preferring Aboriginal businesses through preference weighting of the tender criteria by having a dedicated weighting to Aboriginal businesses (10%) if the ownership is more than 50% by a First Nation person.

AHV will identify supplier portals that promote Aboriginal business, such as Supply Nations or Kinaway public portals. AHV will release such opportunities in this initiative and possibly under initiative 2 with these portals.

### Initiative No. 2 – for any procurement exercise of less than \$250K

Aboriginal Price Preference. Through a favoured price-weighting. The Aboriginal business price or cost offer should be assessed as 5% less. This will give the Aboriginal business an advantage over other competitors. The condition to apply this rule will only happen on opportunities of less than \$250K.

### Initiative No. 3 – Targeting Small and Micro-business for expenditures of more than \$10000

AHV may allow financial incentives or bonuses of \$1000 under the following conditions:

- a. The organisation engaged is committing to hire aboriginal business or staff (Report and proof must be provided as KPI);

- b. The entity is a non-Aboriginal business;
- c. The amount of spend is more than \$10K;
- d. The organisation engaged is considered either small or micro-business (with less than 50 employees); and
- e. Most importantly – the payment will occur at the latest stage of deliverables after the proof has been provided.
- f. For any ongoing service, the AHV contract manager may conduct a regular meeting to ensure that Aboriginal Business support KPI has been measured and met the standard criteria.

Refer to the Procurement and Contracts Procedure for more information relating to this initiative.

AHV finance and procurement will generate a dedicated award report to the Board detailing the spending with First Nation businesses or business-like entities.

## 8.9 Suppliers Panel

Standing offers, including panels, are used by AHV Business to purchase goods and services that are required on a recurring basis across the business.

Standing offers or Panels are usually established using a competitive open tender process.

A standing offer is an arrangement setting out the terms and conditions, including a basis for pricing, under which a supplier agrees to supply specific goods and services for a specified period.

A panel arrangement involves more than one supplier whereby a standing offer is established with each supplier covering the same or similar goods or services, including a basis for pricing, for a specified period.

The allocation, variation and finalisation of panel contract orders will be approved as per Delegation of Authority Policy limits.

There are two types of supplier panels.

### Internal Panels

Those are panels that were established through AHV's competitive procurement process

### External Panels

Those are the panels established by trusted third parties, and they can include:

1. State Government arrangements (State Purchase Contracts, Construction Supplier Register, etc.)
2. Organisational bodies that were created by legislative bodies with the intent to procure services on behalf of the government and not-for-profit organisations. An example of such bodies is Procurement Australia.
3. The panel was created through a collaborative procurement exercise, where AHV was not the lead in the tendering process.

More details are provided in the Procurement and Contracts Procedure.

## 8.10 Exemption from tendering or quotations

The following circumstances are exempt from the general public tender, quotation and expression of interest requirements. Officers will still be required to complete Exemption Form or write a Board Paper for some of the services, explaining the reason for the exemption and the benefits to AHV.

Exemptions that require an Exemption Form or Board Paper will require approval from either Executive Managers, CEO or the Board in line with the financial delegations.

No other AHV staff can approve exemptions.

All Exemptions within the Executive Managers delegation will require Probity and Procurement Officer endorsement. All Exemption within CEO or Board financial delegations will require endorsement by the Chief Financial Officer (CFO).

Exemption documentation must be attached when the orders are raised in purchasing system.

Exemption Name	Explanation, limitations, responsibilities, and approvals	Does this service require Exemption Form or Board Paper	Is Purchase Order (PO) required
1. A contract made because of genuine emergency or hardship	<ul style="list-style-type: none"> <li>• Where AHV has resolved that the contract must be entered into because of an emergency (e.g., to provide an immediate response to a natural disaster or declared emergency).</li> </ul>	<ul style="list-style-type: none"> <li>• Yes (verbally) but subject to completing the exemption Form in timely manner once the emergent event attended to.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
2. A contract made with, or a purchase from a contract made by, another government entity, government-owned entity or other approved third party.	<ul style="list-style-type: none"> <li>• This general exemption allows engagements:               <ul style="list-style-type: none"> <li>○ With another government entity or government-owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or</li> <li>○ In reliance on contracts and arrangements established by another government entity, local authority, or Procurement Australia (PA).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Yes, when joining the arrangement/ service</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>



Exemption Name	Explanation, limitations, responsibilities, and approvals	Does this service require Exemption Form or Board Paper	Is Purchase Order (PO) required
	<ul style="list-style-type: none"> <li>○ State Government Registers (e.g. Construction Supplier Register) and Ministerial Approved Arrangements For building and construction works, where there are suitable building, and construction industry contractors or consultants on the Construction Supplier Register (CSR) maintained by the Department of Treasury and Finance for and on behalf of the State Government, staff are required to seek a minimum of three quotes (if the expenditure is expected to exceed \$50,000) from suppliers on the register in accordance with ministerial approval arrangements and applicable Procurement and Contracts Procedure. Standard quotes processes then apply as outlined in the Procurement guideline.</li> </ul>		
3. Extension of contracts while AHV is at market	<ul style="list-style-type: none"> <li>• Allows AHV to extend an existing contract where the procurement process to replace the contract has commenced. It includes where the tender process or negotiations will take or are taking longer than expected.</li> <li>• This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of services.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
4. Professional services unsuitable for tendering	<ul style="list-style-type: none"> <li>• Legal Services</li> <li>• Insurance</li> <li>• Postal Services (Australia Post)</li> <li>• Cab Charge or similar services</li> </ul>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Yes where an estimate of fees can be provided.</li> </ul>

Exemption Name	Explanation, limitations, responsibilities, and approvals	Does this service require Exemption Form or Board Paper	Is Purchase Order (PO) required
5. Novated Contracts or Contract Assignment	<ul style="list-style-type: none"> <li>Where the initial contract was entered into in compliance with the Policy and due diligence has been undertaken in respect to the new party.</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>
6. Information technology resellers and software developers	<ul style="list-style-type: none"> <li>Allows AHV to renew software licenses and maintenance and support, or upgrade existing systems, where there is only one supplier of the software, who holds the intellectual property rights to the software.</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>
7. Select Tender from pre-qualified registers or panels by another government entity	<ul style="list-style-type: none"> <li>Construction Supplier Register</li> <li>Marketing Services Register</li> <li>IT Infrastructure Register</li> <li>E-services Register</li> </ul> <p>These are State Purchase Registers set up by Victorian State Government, details can be found on Buying for Victoria website</p>	<ul style="list-style-type: none"> <li>Yes, when joining the arrangement/service</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>
8. Statutory Compulsory Monopoly Insurance Schemes	<ul style="list-style-type: none"> <li>Motor vehicle compulsory third party</li> <li>WorkCover</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>
9. Utilities and Regulatory	<ul style="list-style-type: none"> <li>Water Rates</li> <li>Council Rates</li> <li>Taxes</li> <li>Works done by utility asset owner or its nominated contractor (Telstra Pit, Yarra Valley Water,...etc.).</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>
10. Operating Leases	<ul style="list-style-type: none"> <li>Where a lessor leases an asset (generally a vehicle or plant and equipment) to AHV and assumes the residual value risk of the vehicle.</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>
11. Specialist Consultant works	<ul style="list-style-type: none"> <li>Engagement of consultants where there is continuity of history and expertise or where</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>

Exemption Name	Explanation, limitations, responsibilities, and approvals	Does this service require Exemption Form or Board Paper	Is Purchase Order (PO) required
	<p>there is limited expertise within the market relevant to the consultation being undertaken. This exemption will require consideration of services and intellectual ownership and progression of services which can demonstrate efficiencies. A detailed justification will be required to explain the requirement.</p>		
12. Poor Market response to either quote or Tender	<ul style="list-style-type: none"> <li>• Where a process of an open or closed quote / tender process resulted in poor market response with no bidder or non-compliant bidders responses.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>

Refer to the Procurement and Contracts Procedure for other procurement activities that can represent a form of Exemption, including Sole or Select Sourcing and Unsolicited Offers.

### 8.11 Sustainable procurement

AHV aims optimise AHV’s ability to identify and deliver under three bottom-lines for sustainability outcomes through procurement.

- Social, by engaging the market with focus towards deriving an impact for the Aboriginal community.
- Environmental, by both encouraging suppliers into having tools, goods or processes that deliver less impact to the environment.
- Economic, by encouraging and deriving engagement with Aboriginal businesses including disadvantaged business, through active engagement with:
  - Supply Nation
  - Kinaway
  - Social Traders

AHV is committed to the environment and local community, including the Victoria Social Procurement Framework.

Social Sustainable procurement can be grouped into two broad approaches:

- Direct – Purchasing of goods, services or construction works (by AHV or through the supply chain) from:

- a. Victorian social enterprises;
  - b. Victorian Aboriginal businesses; or
  - c. other social benefit suppliers, including Australian Disability Enterprises.
- Indirect –AHV using the tendering process and clauses in contracts with the private sector to seek social and sustainable outcomes.

Sustainability criteria are to be considered at the planning stage of procurement and included in AHV's tender documentation to achieve AHV's Sustainable outcomes. These Sustainability outcomes sought to be achieved through the tender or Request for Quotation (RFQ) may be imbedded in both the Evaluation criteria and as contract KPI as part of the delivered outcomes.

### **8.11.1 Environmental Sustainability**

To support and measure achievement of meeting a set target for AHV's environmental, in particular aiming for Zero Carbon and neutrality, efficient Water strategy, waste and litter and plastic wise reduction, AHV will minimise its impact on the environment by purchasing goods, services and construction which avoid air, water and soil pollution and minimise natural resource and biodiversity depletion.

AHV will consider the environmental performance of all suppliers and contractors and encourage them to conduct their operations in an environmentally sensitive manner. AHV may deploy tools and techniques to measure its environmental impact as an organisation.

AHV may include provisions in its procurement exercises in the specifications for tenders or quotes and contracts' sustainability content as appropriate to the product or service being procured.

Environmentally sustainable procurement includes but is not limited to:

- Energy/climate change: maximising energy efficiency and reducing greenhouse gas emissions, including the negative impacts of transportation when purchasing goods and services;
- Waste and recycling:
  - a. Avoiding unnecessary consumption, reducing waste to landfill and increasing amount of waste recycled;
  - b. Prefacing the procurement of services to meet AHV's needs rather than acquiring new physical assets, as appropriate;
  - c. Selecting products/services that have minimal effect on the depletion of natural resources and biodiversity (i.e. recycled content within products, no harmful toxins, avoidance of single-use plastics etc);
  - d. Using only 100% recycled paper and encouraging less reliance on paper in processes where applicable.

Water and waterways: reducing potable water consumption, minimising stormwater pollution and improving water management.

## 8.12 Contract planning

Contract planning is an important element of AHV's business activities and defines upfront how procurement categories and individual procurements will be managed at the contractual stage based on their complexity level. It identifies the resources, systems, processes, tools, reporting and capabilities needed to manage contracts.

Contract planning does not determine how individual contracts will be managed at the operational level. This requires a more detailed assessment of the procurement risks and supplier management issues related to a particular procurement activity. For example, performance management of contractor(s) is defined for each individual contract.

AHV's contract planning will generally encompass the following five critical questions. By basing the planning on these five questions, AHV ensures that accountability, probity, scalability and value-for-money will be met throughout the contract management process.

*They include:*

1. What systems and processes are needed to monitor value for money outcomes?
2. What are the minimum controls needed to determine if supply is at risk and what back up arrangements might be required to ensure continuity of service?
3. What minimum actions can be taken to ensure that appropriate capability exists to undertake contract management?
4. How will AHV know if contractors and suppliers are fulfilling their contractual obligations and achieving expected commitments?
5. How can AHV improve procurement practice to drive value for money?

## 9. Related policies

- AHV Contract Administration and Management Policy
- AHV Privacy Policy
- AHV Staff Code of Conduct
- AHV Code of Conduct for Contractors
- AHV Board Code Conduct
- AHV Employee Disciplinary Policy
- AHV Public Interest Disclosure Policy
- AHV Governance Policy (Appendix 1, AHV Delegations of Authority)
- AHV Risk Management Policy
- AHV Corporate Credit Card Policy
- AHV Maintenance Services Policy

## 10. Compliance with the policy

AHV views any breach of probity as a serious offence and will be managed under the Staff Code of Conduct Policy, Board Code of Conduct, and/or Code of Conduct for Contractors.

## 11. Policy log

<b>Policy history</b>	<b>Version</b>	<b>Creation date</b>	<b>Review due</b>
Procurement policy	1.	October 2021	October 2024
Review of Policy	2.	June 2024	June 2027
Review of Policy to enhance section 8.8	3.	September 2024	September 2027