

Policy Adopted by YPRL Board	
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1. Principles

1.1 Background

Yarra Plenty Regional Library (YPRL)

- 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 YPRL, will enhance the achievement of YPRL objective of sustainable and responsible finance and governance.
 - 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 the Library's contracting and purchasing activities:
 - support the YPRL's corporate strategies, aims and objectives;
 - span 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;
 - achieve value for money and quality in the acquisition of goods, services and works by the Library;
 - 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.

1.2 Scope

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

This section of the Act requires YPRL 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 Library.

This policy applies to all contracting and procurement activities of YPRL and is binding upon YPRL employees and temporary employees, contractors and consultants while engaged by the Library.

1.3 Purpose

The purpose of this Policy is to:

- provide policy and guidance to YPRL employees to allow consistency and control over procurement activities;
- demonstrate accountability to stakeholders;
- 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>
CEO	YPRL Chief Executive Officer
Commercial in Confidence	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, to deliver the business and operational objectives required from the contract and, to provide value for money.
YPRL employees	Includes full time and part-time YPRL employees, and temporary employees, contractors and consultants while engaged by YPRL.
YPRL Board	Comprises of two representatives from each of the three-member councils of Banyule, Nillumbik, and Whittlesea.

<p>Probity</p>	<p>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 YPRL'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.</p>
<p>Standing Offer Arrangements (SOA)</p>	<p>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.</p>
<p>Sustainability</p>	<p>Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.</p>
<p>Procurement</p>	<p>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.</p>
<p>Tender Process</p>	<p>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.</p>
<p>Value for Money</p>	<p>Value for money in procurement is about selecting the supply of goods, services and works considering both cost and non-cost factors including:</p> <ul style="list-style-type: none"> • contribution to the advancement of the Library's priorities; • non-cost factors such as fit for purpose, quality, 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.
<p>YPRL</p>	<p>Yarra Plenty Regional Library</p>

1.6 Related Legislation and Documents

- Local Government Act 1989 (as amended)
- Victorian Local Government Best Practice Procurement Guidelines
- Employee Code of Conduct
- Instrument of Delegation
- OHS Policy
- OHS Purchasing Procedure
- Purchasing Procedure
- Business Credit Card Policy and Procedure
- Universal Expense Card Procedure
- Independent Broad-based Anti-Corruption Commission (IBAC) recommendations
- Other relevant legislative requirements such as, but not limited to, the Trade Practices Act, Goods Act and the Environmental Protection Act.

2. Effective Legislative and Policy Compliance and Control

2.1 Ethics and Probity

2.1.1 Requirement

YPRL'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 YPRL employees

2.1.2.1 General

YPRL employees shall 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 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.

YPRL employees responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

2.1.2.2 Members of Professional Bodies

YPRL employees 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.

2.1.3 Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy, YPRL Procurement Procedures, the Contracts Register and review processes, relevant legislation, relevant Australian Standards, and the Act.

2.1.4 Conflict of Interest

YPRL employees 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 library duties.

YPRL employees shall not participate in any action or matter associated with the arrangement of a contract (ie, evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on the member of YPRL employees involved being alert to and promptly declaring an actual or potential conflict of interest to the Library.

Where future conflicts or relevant private interests arise, YPRL employees must declare any conflict to their and Manager and/or the CEO who will decide whether the officer should continue to be involved in the specific Procurement exercise.

2.1.5 Fair and Honest Dealing

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

Impartiality must be maintained in selecting contractors and suppliers so that no action is taken that could result in criticism of YPRL.

The commercial interests of existing and potential suppliers must be protected.

Confidentiality of information provided by existing and prospective suppliers must be always maintained, 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 evidence what has happened. 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 YPRL's procurement policies and procedures as set out in this policy and related Library policies and procedures.

Additionally:

- all YPRL employees must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by YPRL and provide feedback on them;
- regular training is to be provided to appropriate YPRL staff on the policy and procedures of procurement;
- all procurement activities are to leave an audit trail for monitoring and reporting purposes.

2.1.7 Role of the Audit Committee

The CEO will provide the Audit Committee with regular reports that reflect compliance/non-compliance with laws, legislation, and policies, including non-compliance with the Procurement Policy.

The Audit Committee should endorse the annual review of the Procurement Policy.

2.1.8 Gifts and Hospitality

No member of YPRL 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 relates to the duties of the officer, or in which YPRL is interested. (Refer to the 'Employee Code of Conduct' for details relating to this matter).

YPRL employees 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. YPRL employees 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.

Details of all gifts, benefits, or hospitality more than \$50 value, received by staff, must be managed in accordance with the Employee Code of Conduct section on Gifts, Benefits and Hospitality and be recorded in the Gifts Register which is maintained by the PA of the CEO.

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.

2.1.9 Disclosure of Information

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

YPRL employees 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.

YPRL employees 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 finalised.

2.2 Governance

Good governance is getting the processes right that provide an environment that develops and fosters an organisational culture that is conducive to good governance.

2.2.1 Structure

YPRL 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 Library;
- ensure that YPRL's procurement structure:
 - is flexible enough to purchase in a timely manner the diverse range of material, goods, works, and services required by YPRL;
 - 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

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

- The Local Government Act,
- YPRL's relevant and appropriate policies and procedures,
- YPRL's Employee Code of Conduct,
- Recommendations and control measures as identified (from time to time) by the Independent Broad-based Anti-Corruption Commission (IBAC), and
- 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

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

- purchase order following a quotation process,
- Business credit card or Universal Expense Card,
- under contract following a tender process, or
- where YPRL is satisfied that value for money requirements have been satisfied, under purchasing schemes including collaborative purchasing arrangements with other Libraries and commercial schemes such as provided by MAV.

unless there are other arrangements authorised by YPRLCEO arising from exceptional circumstances, such as emergencies.

YPRL 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 of interest stage followed by a tender process involving the organisations selected because of the registration of interest stage.

Registrations of Interest (ROI) may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear,
- the requirement is capable of several technical solutions,
- YPRL 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 YPRL seeks to ensure that companies incapable of supplying the requirement do not 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, the objective and the solution).

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

YPRL employees must not authorise the expenditure of funds more than their financial delegations.

YPRL 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.

2.3 Procurement Thresholds and Competition

2.3.1 Requirement

YPRL will from time to time decide and publish in this policy clear guidelines for minimum spend competition thresholds. These will be decided by YPRL based on the size and complexity of the proposed procurement activities. All thresholds, unless otherwise stated include GST.

2.3.2 Minimum Spend Competition Thresholds

2.3.2.1 Tenders

Purchase of all goods, services and works for which the estimated expenditure exceeds \$150,000 must be undertaken by public tender.

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 YPRL, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is less than \$150,000.

2.3.2.2 Quotations

Purchase of goods, services and works having a total valuation of less than \$150,000 (inclusive of GST) may be undertaken using the procurement by quotation method as described below:

- Items with a value of \$0 to \$5,000: verbal quotation
- Items with a value \$5,001 to \$15,000:

A minimum of one (digital, email or other written) quotation must be obtained and the

details recorded before placing an order (similar details must be recorded where more than one supplier has quoted).

- Items with a value \$15,001 to \$150,000:

A minimum of three (digital, email or other written) quotations must be sought.

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

Details of the suppliers contacted, and their quotations must be attached to the 'Funding Request/ Procurement Policy Requirement' Form.

Quotations more than \$20,001 must be sighted and countersigned by CEO prior to the Purchase Order being placed. (also refer Section 2.4.2 Delegations)

- Advertising

Requests for quotations may be advertised at the CEO's discretion. This may occur when a field of potential tenderers has not 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 spreadsheet or recommendation and an appropriate comment recorded.

2.3.2.3 Aggregated Value of a Contract

The value of a purchase contract is the aggregate value of the contract over the term of the contract. If the term of the contract is not clear, a default term of 2 years is to be used for cumulative expenditure.

2.3.2.4 Exemptions:

There are limited circumstances in which there may be legitimate reasons for a variation from the requirement to comply with sections 2.3.2.1 relating to calling for tenders and quotations and tenders' threshold of this Policy. To seek an exemption from this policy, the exemption must be within one or more categories below:

1. **Legal Services** – The services are for the provision of legal advice – these services are exempt under the Local Government (General) Regulations 2004 No 130, Part 4, Clause 10;
2. **Ministerial Exemption** – An exemption from the Minister for Local Government in accordance with Section 186(5) (c) of the Act has been obtained for the specified services or works;

3. **MAV Public Liability or Professional Indemnity Insurance Scheme** – If YPRL participates in the MAV’s Public Liability and Professional Indemnity scheme (or other Insurance Scheme approved by the Minister under Section 76A of the Act) such Insurance Premiums are exempt from Section 186 of the Act. However, if YPRL does not participate in the Minister’s approved (under Section 76A of the Act) Insurance Scheme, YPRL must undertake a public tender process;
4. **Statutory Payments** – Statutory payments such as Superannuation (Employer and Employee Contributions) and Work Cover Insurance Premiums;
5. **Loan Funds** – The provision of Loan Funds. Loan agreements do not constitute the procurement of a good or service under Section 186 of the *Local Government Act 1989*, but a financial accommodation. Therefore, they are not subject to the public tender requirements of the Act;
6. **Emergency** – In accordance with Section 186 (5) of the *Local Government Act 1989*, that YPRL resolves the contract must be entered into because of an emergency;
7. **Sole Supplier/Insufficient Quotes** – When it is clear beyond doubt that there are not sufficient suppliers to provide requisite quotes. This exemption does not apply if over the value of \$150,000 for goods and services (and \$200,000 for the provision of Works). Ministerial Exemption must be sought by YPRL should this be the case;
8. **Exceptionally Advantageous Time Limited Conditions** – This includes unusual disposals by suppliers, unsolicited innovative proposals, liquidation, bankruptcy, or receivership and which are not routine purchases from regular suppliers. This exemption does not apply if over the value of \$150,000 for Goods and Services and \$200,000 for the provision of works. Ministerial Exemption must be sought by YPRL should this be the case;
9. **Intellectual Property** – Where the goods or services can only be supplied by a particular business and no other reasonable alternative or substitute exists, namely for a work of art; or to protect patent, copyright, or other exclusive right, proprietary information, software – are some examples. This exemption does not apply if over the value of \$150,000 for Goods and Services and \$200,000 for the provision of Works. Ministerial Exemption must be sought by YPRL should this be the case;
10. **Absence of Competition** – Goods and services that are limited by patents or licences. To be supported by documentation and demonstrated organisational benefits. This exemption does not apply if over the value of \$150,000 for Goods and Services and \$200,000 for the provision of Works. Ministerial Exemption must be sought by YPRL should this be the case;
11. **Support from Original Supplier** – For additional goods or services by the original supplier or authorised representative where a change in supplier would result in the organisation to procure goods or services that are not compatible with existing goods or services. For example, spare parts for vehicles and plant. This exemption does not apply if over the value of \$150,000 for Goods and Services and \$200,000 for the provision of Works. Ministerial Exemption must be sought by YPRL should this be the case;
12. **Utilities:** Such as Electricity; Gas and Water as these services are provided under the ‘umbrella’ of the 3 Member Councils (YPRL Buildings are owned by the Councils who are responsible for providing and sourcing the utilities supplied to the Buildings - YPRL is responsible for the costs of these services)

An exemption form must be completed if the above conditions apply in accordance with the Procurement Procedure.

2.4 Delegation of Authority

2.4.1 Requirement

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

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

As such, YPRL 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

The following delegations will apply, subject to applicable procurement restrictions:

Chief Executive Officer	\$150,000
Executive Leadership Team	\$ 20,000
Band 7 Management Staff	\$ 10,000
Band 6 Management Staff	\$ 500

The following procurement delegations will also apply to Executive Leadership and Band 7 Management Staff:

- Acceptance of quotes – to within their delegated limit
- Credit card expenditure limit:

Chief Executive Officer	\$ 5,000
Executive Leadership Team	\$ 5,000
Band 7 Management Staff	\$ 5,000
Purchasing & Support Officer	\$ 5,000
People & Culture Coordinator	\$ 5,000

The following procurement restrictions apply to Band 6 Management Staff:

- Approval applies only to designated branch budgets delegated to the Band 6 staff member.
- Debit card expenditure limit \$ 100

2.4.2.1 Delegations Reserved for the CEO

The following processes and commitments must be approved by the CEO:

- Acceptance of tenders;
- Initial signing and sealing of contract documents;
- Contract term extensions;
- Contract amendment;
- Tender recommendations and all expenditure over \$20,000 in value;
- Procedural exceptions;
- Credit Card Purchases of Executive Managers

2.4.2.2 Delegations Reserved for the Chair of YPRL Board

The following processes and commitments must be approved by the Chair of the YPRL Board:

- Credit Card Purchases of CEO

2.5 Internal Controls

YPRL will install 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;
- 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.

2.6 Commercial Information

Procurement activities will be carried out in a way that supports YPRL employees 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 Library 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 carefully planned and carried out in a manner that will protect and enhance YPRL'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 YPRL to risk.

YPRL will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;
- 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 must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be sought from the CEO. A request for such an approval should be supported with procurement and legal advice as relevant.

To protect the best interests of YPRL, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to doing this expose YPRL to risk and thus must be authorised by the appropriate member of YPRL employees listed in the delegation section above.

2.9 Endorsement

YPRL employees must not endorse any products or services. Individual requests received for endorsement must be referred to the CEO.

2.10 Dispute Resolution

All YPRL 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 YPRL, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:

- establishing a system reinforcing the performance of both parties' responsibilities and obligations under the contract; and

- providing a means for the early recognition of issues and performance problems and the identification of solutions.

All YPRL contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed by the member of YPRL employees responsible for the delivery of the contracted goods, services or works to ensure YPRL receives value for money.

3. Demonstrate Sustained Value

3.1 Intergration with Library Strategy

YPRL procurement strategy shall support its corporate strategy, aims and objectives, including:

- all relevant legislation and policies are complied with, to Best Practice standards.

3.2 Achieving Value for Money

3.2.1 Requirement

YPRL's procurement activities will be carried out based on 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. Lowest price is not the sole determinant of value for money.

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 SOA where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- YPRL employees responsible for providing procurement services or assistance within YPRL 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

Specifications used in quotations, tenders and contracts are to support and contribute to the Library's value for money objectives through being written in a manner that:

- ensures impartiality and objectivity;
- encourages the use of standard products;
- encourages sustainability;
- eliminates unnecessarily stringent requirements; and
- wherever possible specifies technical standards and requirements that are within the capabilities of local suppliers.

3.3 Sustainable Procurement Framework

YPRL is committed to social inclusion and development, environmental protection, local employment, and economic growth of the community in the Northern Region municipalities.

YPRL requires the consideration of sustainability in all its procurement activities. Where practicable and achieves value for money, YPRL will take all the opportunities to generate economic, social, and environmental benefits.

To deliver sustainable procurement benefits, YPRL has developed this Sustainable Procurement Framework which encompasses and considers social, economic, and environmental factors when dealing with suppliers.

3.3.1 Economic sustainability

YPRL is committed to support local businesses and economic diversity in the Northern Region municipalities. Where practicable, YPRL will give preference to contracts for the purchase of goods manufactured or produced in Australia and will actively seek quotes and tenders from local businesses in the Northern Region.

3.3.2 Social Sustainability

Social sustainability focuses on social equity and is underpinned by principles of diversity, acceptance, fairness, compassion, inclusiveness, and access for people of all abilities. YPRL social sustainable procurement will generate positive outcomes for people and contribute towards building stronger communities.

When establishing procurement projects, YPRL will articulate the requirements to achieve social outcomes for the Northern Region community.

3.3.3 Environmental sustainability

YPRL is committed to minimise its impact on the environment by purchasing goods and services which avoid air, water, soil pollution, and minimise natural resource and biodiversity depletion. YPRL will provide instructions and guidance to all staff on how to embed the 5Rs (refuse, reduce, reuse, repurpose, and recycle) as core values in all future contracts, and ensure, where possible, that products purchased can be recycled at end of life.

YPRL will give preference to quotations and tender offers that deliver environmentally preferable outcomes, reduce waste generation, and drive energy efficiencies.

4. Apply a Consistent and Standard Approach

YPRL will provide effective and efficient commercial arrangements for the requisition of goods and services.

4.1 Standard Processes

YPRL will provide effective commercial arrangements covering standard products and standard service provisions across **YPRL** to enable employees to source requirements in an efficient manner.

This will be achieved via harmonisation of the following areas:

- Pricing where relevant
- Processes, procedures, and techniques
- Reporting requirements
- Application of standard contract terms and conditions.

4.2 Management Information

YPRL will capture procurement management information in a variety of areas, including:

- Volume of spend.
- Number of transactions per supplier.

5. Build and Maintain Supply Relationships

YPRL recognises that to achieve sustainable value, appropriate relationships must be developed and maintained with suppliers and that it seeks to operate with 'informed choice' on what supply strategy it adopts – whether to 'do it yourself' participate in regional or sector aggregated projects or to access State Government panel agreements. YPRL will consider which supply arrangement delivers best value outcomes for YPRL in terms of time, cost, value, and outcome.

5.1 Developing and Managing Suppliers

YPRL 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 of programs and performance measurements to ensure the benefits are delivered.
- Maintaining approved supplier lists.
- Developing new suppliers.

5.2 Relationship Management

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

- Size of spend across YPRL
- Criticality of goods /services supplier, to the delivery of the authority's services
- Availability of substitutes
- Market share and strategic share of suppliers

5.3 Communication

External communication is especially important in ensuring a healthy interest from potential suppliers and partners to YPRL. The external website will be updated and provide:

The Procurement Policy

- Standard documentation used in the procurement process.

6. Continual Improvement

YPRL 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.