



Rural City of  
**Wangaratta**

# Guide for Suppliers



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## Introduction

Trying to understand how to successfully become a supplier for local government in general can be quite daunting. There are a lot of rules and regulations, and understanding why and how decisions are made is important.

This guide is designed to encourage potential suppliers to form profitable, long term partnerships with Rural City of Wangaratta (Council). For existing suppliers, this guide should also help to reveal why we work the way we do.

### What is 'procurement'?

Procurement is simply buying products, services and works. It comes down to Council trying to get best value when spending public money, in a way that is fair and transparent for everyone.

Council has to operate under the *Local Government Act 2020* as well as follow rules that our own Councillors have decided on.

### Procurement factors

When trying to decide how to best spend public money, Council takes into account a range of factors;

- Quality and performance;
- Value for money;
- Community expectations and values;
- Balance of affordability and accessibility;
- Opportunities for local employment growth;
- Partnership building with other levels of government;
- Environmental sustainability.

## Council Procurement and The Law

### The Local Government Act

The intent of the legislation applying to Victorian local government procurement is to ensure that councils meet their strategic objectives and ensure their communities achieve value for money through open and fair competition, applying high standards of probity, transparency, accountability and managed risks. This requires that councils take steps to ensure that goods, services and works are procured at a competitive rate and in a transparent manner. It is important that councils continually test intended contracts against this primary standard. The Act requires councils to have a procurement policy which should provide the basis for the council to undertake a competitive process to seek value for money in accordance with their own council's policy. There is also a transparency requirement regarding the development, publishing and review of a council's policy. These aspects are all essential to any best practice strategy and to statutory compliance.

### Council's Procurement Policy

Section 108 of the Act requires Council to prepare and adopt a procurement policy. Council must comply with its policy prior to entering into any contracts for goods or services or the carrying out of works.

Council's procurement policy is available from our website.

### Ethical Standards

Communities rightly expect the highest levels of good governance and ethical standards from all levels of government. As a result, Council takes any suggestion of anti-competitive, collusive, dishonest or corrupt behaviour very seriously. All suppliers to Council are expected to maintain the highest standards of behaviour and avoid all conduct that does not promote fair competition and dealings. Council has a separate gift policy we must adhere to. Anything that may be construed as an attempt to gain preferential treatment is strictly prohibited.



## Methods of Procurement

### Quotes

Council will often seek quotes from suppliers. Typically, we must source at least three quotes for purchases between \$10,000 and \$250,000.

Quotes do not need to be publicly advertised. Council officers will usually contact suppliers directly to seek a quote when the need arises.

### Public tendering

A tender is just a more formal quote process. There are more rules, and it needs to be publicly advertised, but essentially, Council invites all interested suppliers to put a bid in to supply the goods or services or works needed.

The rules of engagement are clearly stated within the tender documents. A tender will also clearly set out what Council needs, and on what criteria Council will be comparing and basing their decision on. To be successful, you must carefully address each criteria.

Council utilises eProcure as its electronic tendering portal. Potential suppliers can register their details to receive notifications when new tenders are released.

### Request for information / Expression of interest

Often referred to as an RFI or EOI, Council may use these to explore the ability of the market to supply specific and unique requirements.

It is usually the first stage of a complex tender and allows Council to prequalify suppliers who are likely to be capable of fulfilling the requirements through a formal tender.

### Aggregated procurement

From time to time, groups of councils may choose to go to market together to drive bulk discounts. Besides better prices, having just one tender for a number of councils reduces administration, saves time and saves money for everyone involved.

Third party organisations, like MAV Procurement, Procurement Australia and State Government are able to conduct aggregated tenders on behalf of councils. At the end of the tender process, those councils can use the successful suppliers if they wish, but they can still choose to run their own separate process if they believe the outcome is unsuitable.

## Becoming a preferred supplier

A 'preferred supplier' has successfully participated in a procurement process, thoroughly market tested and is compliant with all requirements.

Council maintains a 'panel' of suppliers for in-demand products and services. This allows us to pick and choose the best supplier for the job, or use whoever provided the best quote. Being appointed to a panel does not guarantee any work, only that the supplier becomes a legitimate option for council staff to use.

## Mandatory Factors

Some things Council expects from suppliers are not negotiable, and must be in place to win Council work. It depends on the sorts of products and services supplied (including works and construction), but things like appropriate training, relevant accreditation and licenses, and up-to-date insurance cover are common legal and procedural requirements.

### Occupational health and safety

Council sees the health and safety of all people in a workplace of the highest importance, and we expect our suppliers and contractors to make things as safe as possible. When suppliers are asked to prove how they manage OH&S, the standard expected will depend on the type of work being undertaken and the risks involved. Expectations may range from a fully certified OH&S management system to simply having a one page OH&S policy.

Council has the right and ability to audit suppliers' OH&S policies and procedures at any time over the life of the contract, and in some instances, can also physically inspect worksites.

Failure to have adequate OH&S policies in place will fail a tender application, regardless of the quality of the rest of the tender.

### Insurance

All businesses must maintain the relevant and appropriate insurance cover. Council usually requires proof of public liability coverage, but additional policies may also be required. Insurance coverage is expected to be maintained throughout the duration of the contract or engagement, and documentation must be available to Council at all times.

It's not just to create more paperwork, it's to protect Council, the community and the supplier if something goes wrong. Suppliers must also be careful to ensure that the entity covered by their insurance policies is actually the one contracting with Council, rather than, for example, a trust.

## Quality assurance

Community expectations of councils services have never been higher. As a result, suppliers to Council must have proper quality assurance processes and procedures in place. As always, the level of QA expected will depend on what is being delivered. The higher the value and risk, the greater the expectation. Of course, it goes without saying that suppliers must ensure that they are delivering what was asked for in the quote or tender specification, matching or exceeding Council requirements. Should anything go wrong or a problem arise, suppliers should also be able to show how they will fix any issues quickly and efficiently.

## Bonus Points

Council will not base our choice of supplier on cost alone. The most important factor is the ability of the supplier to provide the product, service or work to the standard expected, as outlined in any tender specifications or quote. Price then becomes an important consideration, but only once the supplier is identified as having the skills and resources required. Some other factors include local economy support, environmental sustainability and social responsibility.

## Community driven goals

To help support local businesses and the local economy, Council will try to direct business through local and regional partners. But they also have to balance other factors as well, such as price, so the relative importance given to community and social procurement goals will be outlined in the tender.

## Environment and sustainability

Positive environmental outcomes are important to Council. All things being equal, suppliers offering green credentials and environmentally friendly practice will be more favourably considered.

Council looks favourably upon suppliers who have:

- A green product and/or service;
- Low environmental impact;
- Responsible waste disposal; and
- Sustainable methods of production/service.

It is understandable that not all suppliers have formal environmental accreditation, especially smaller organisations. In many cases, showing a legitimate commitment to sustainability is a big step to winning Council business.

## Social procurement

Council realises that we can use our buying power to generate positive social outcomes for our communities, on top of getting best value for goods and services.

As a result, Council expects potential suppliers to show how they can help promote the economic and social wellbeing of our communities. This expectation depends on the type of contract being tendered but some examples of social procurement are:

- Employing local workers;
- Employing economically disadvantaged & socially marginalised constituents;
- Using local sub-contractors;
- Sponsoring or supporting community groups or sporting teams;
- Using local suppliers for materials; and
- Showing a commitment to corporate social responsibility (e.g. treating employees fairly and respectfully).

## Technology

Council utilises eProcure to provide a simple, secure and efficient means of managing tendering activities online.

All tenders must be lodged via this online portal by the closing date and time.

Interested suppliers should register with eProcure in order to download the tender details, submit their tender responses and interact with Council via the online forum.



## Frequently Asked Questions

### How do I find out about tender opportunities?

Council advertises tender opportunities on our website and in the local paper.

Submission deadlines for tenders are strict. If a tender is submitted late, it will not be considered. So allow for any errors that may occur, human or technological, and submit tenders at least 24 hours before the deadline in the correct format.

When responding to a tender, ensure to answer all the requirements to the best of your ability. Tenders that fail to answer all requirements are listed as non-compliant, which severely limits your chances of success.

### Can I submit a non-compliant tender?

Yes, but usually only if you also include a compliant tender as well. You may be able to provide a better model of service or product than what is being asked for, but you must address what is called for in the tender specification before you offer the alternative.

### How do I respond to a tender?

Instructions for responding to a tender can be found in the tender documents.

### Who else can find out about my offer?

Submissions are treated as confidential and any information submitted in a tender will not be distributed to external parties. Submissions will only be viewed by council staff responsible for evaluating and making decisions regarding the tender.

### If my submission is unsuccessful, can I find out the tender results or obtain feedback on my submission?

You can contact the council officer running the procurement for further information and feedback regarding your submission.

### Why do Council decisions take so long?

It depends on the type of decision required. A decision to award a quote, or place a direct order for low value items can be very quick. But more important decisions, particularly where significant sums of money are involved, tend to take significantly longer.

As an example, most tenders remain open for at least three weeks. And then, depending on the number of tendering suppliers and the nature of the tender, evaluations can take months to be

completed by staff responsible for other council functions as well. And some tender recommendations have to be accepted by a formal meeting of the elected council, which are usually scheduled monthly. So timelines can stretch out, but it's important to take the time to get the decision right. Council has to be very careful with public money.

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