

**CAMDEN  
REGION  
ECONOMIC  
TASKFORCE LTD**

**PROCUREMENT  
PROCEDURES  
AND GUIDELINES  
CAMDEN REGION  
ECONOMIC  
TASKFORCE LTD  
(CRET)**

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# PROCUREMENT PROCEDURES AND GUIDELINES

COMPANY: Camden Region Economic Taskforce Ltd

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## 1. PURPOSE

Camden Regional Economic Taskforce Ltd (CRET) is committed to ensuring a fair, transparent and accountable process in the purchase of goods and the contracting of services. This guideline applies to all CRET employees, contractors and consultants associated with CRET.

These Procurement and Tendering Guidelines provide guidance for CRET staff in their day to day activities in managing purchasing, quotations, tendering and expressions of interest and contract management. The Guidelines are a set of documents that may be amended from time to time to keep pace with best practice.

The purpose of this guideline is to provide clear guiding principles for the procurement of materials, equipment and services, through quotations and tendering, to assist in ensuring best value for money, cost effectiveness, good management practices, transparency, probity and the social and environmental aspects of sustainable practice.

## 2. DEFINITIONS

**Conflict of Interest** - is a situation in which a person or organisation has a potential or perceived personal or financial interest, one of which could possibly corrupt the motivation or decision-making of that individual or organisation.

**Delegated Officers** - are those who have been formally delegated by CRET to approve the purchase of goods and services within the purchasing thresholds outlined in these Guidelines.

**Requisitioning Officer/s** - are officers responsible for raising requisitions to procure goods and/or services on behalf of CRET. They are the "Requisitioning Officer" signatory who initiates the request to purchase (NB that in the absence of a Requisitioning Officer the Delegated Officer may also requisition goods and/or services. ). Where possible a Delegated Officer and Requisitioning Officer should sign to ensure separation of duties for probity purposes.

## 3. PROCUREMENT PRINCIPLES

CRET's procurement related activities shall be conducted in a manner that complies with these general procurement principles and policies:

- Economy principle - the need to obtain the best possible value for money.
- Equity principle - the need for fairness, open competition and impartiality in all stages of the purchasing process.
- Efficiency principle - the need to have a good purchasing system that eliminates waste and rework while upholding the principles of economy and equity.
- Sustainability principle - the need to have a system that will result in high quality sustainability outcomes in the process of producing the best value and quality outcomes.

- Work Health and Safety principle - the need to ensure that CRET staff work with equipment and in surroundings with utmost safety.

Open and effective competition and obtaining value for money should be observed in the procurement of goods and services to ensure optimum quality, price, delivery and service.

While quality, price, delivery and service shall generally be considered the main criteria in assessing CRET's procurement of goods and services; experience, conformance with specifications (including environmental performance), WH&S record and systems and project specific matters are all matters to be considered in the purchasing equation.

CRET expects its contractors and suppliers to comply with ethical business standards and practices in its procurement activities.

CRET shall strictly implement its guidelines and other relevant policies on matters relating to its procurement activities.

#### **4. USING A REQUISITION TO CREATE PURCHASE ORDER**

CRET Staff should arrange a requisition so that an approved Purchase Order containing a Purchase Order number is issued PRIOR to any order being placed. Staff are not to order goods and services unless the order has been approved by a delegated officer and a purchase order number issued.

**All** purchasing transactions other than petty cash and items covered by a payment requisition (refer to 4.1) are to be formalised by issuing a purchase order.

In approving a requisition, the approving officer must ensure that the purchase is necessary, that the appropriate purchasing method has been used, that appropriate expenditure authority exists and that budgeted and approved funds have been allocated for the purpose of the expenditure.

An authorised officer with delegated authority must approve the requisition.

The procedure for the purchasing process is set out below:

##### **4.1 To prepare a Purchase Order**

- a) The staff member (the 'requisitioning officer') requesting the purchase of a good or service prepares a requisition
- b) The requisition should be fully completed and include the following information: supplier, quantity, detailed description, costs, quote number (where appropriate), job number and Contract Number (where applicable).
- c) All supporting documents – emailed or written quotes are attached to the requisition.

## **4.2 Obtain delegated officers approval for purchase of goods and/or services**

- a) The requisition is approved by a delegated officer within their financial delegation and direct responsibility for the work area or budget.

## **4.3 Invoice and finalising purchase process**

The responsible officer at CRET verifies the goods/services were received in line with the order (quantity, price, quality, etc.), and then ensures the invoice is signed and dated before processing the payment.

## **5. PROCUREMENT CATEGORIES**

Procurement of all goods, materials, equipment, works and services by CRET will occur by one of the following methods and are subject to financial limits and conditions.

A purchase is not to be split into components or a succession of orders for the same goods or services.

All amounts include GST.

### **5.1 Purchasing without purchase order**

Subject to conditions set out in this guideline and financial limits and delegations, purchases may be made by:

- a) Petty Cash
- b) Debit Card.
- c) Payment Requisition – see 6.1 for a list of approved items

### **5.2 Approval of Emergency Purchase & Definition of**

Exceptions include sole supplier, matching existing products and emergency purchase.

An emergency purchase is an unforeseen incident/requirement which requires immediate attention to rectify and because time is of the essence, quotations cannot be sought in a timely manner.

The words "emergency purchase" should be added to the requisition line followed by an explanation where requested to add quotes to requisition.

Where the purchase falls outside the purchasing thresholds, the requisition should be approved by the Chairperson and the Executive Officer.

### **5.3 Procurement via written quotations from any supplier**

- a) Written Quotations:  
Except where specified in this guideline, CRET requires quotations to be made in writing from selected suppliers. The number of quotations required is determined by financial limits (including GST)

\$1 - \$3,000	at least 1 verbal, written or emailed quotation
\$3,001 - \$15,000	at least 2 written or emailed quotations
\$15,001 - \$150,000	at least 3 written quotations in response to a written specification

In using quotations, the process must be fully documented by maintaining copies of the instructions issued, the quotations received, assessment of comparative quotations and the supplier selected.

b) **Written Instruction with Specification for Quotation:**

For goods, works and services at an estimated value of \$15,001 to \$150,000, a minimum of three (3) written quotations based on written specifications are required from selected suppliers or a public quotation process.

The process is to be fully documented by keeping copies of the instructions and specifications issued, the quotations received, assessment of comparative quotations and the supplier selected. All relevant documentation must be retained in a Document Management System or similar secure database approved by CRET.

Some of the factors that should be taken into consideration when making a purchase include:

- Price of goods/services
- Quality of goods or services provided
- Warranties offered by supplier
- Reliability of supply
- Delivery schedules
- Payment terms
- Capability of the organisation or contractor, including experience and track record
- Environmental accreditation

#### **5.4 Public Processes–Public Quotations, EOI's and Tenders**

a) **Public Quotations/Expressions of Interest**

For goods, works and services at an estimated value of \$50,001 and up to \$150,000, CRET can use a public quotation or Expression of Interest (EOI) process for non-tender procurement. Quotations are publicly invited through an advertisement in the newspaper and on CRET's website.

The process is to be fully documented by keeping copies of the instructions and specifications issued, the quotations/tenders received, assessment of comparative quotations and the supplier selected. All relevant documentation must be registered in a Document Management system or similar secure database as approved by CRET.

b) **Tenders:**

Tendering is a formal process for seeking offers for the supply of goods or services and the disposal of property. Tendering involves extending invitations, making of

offers and consideration of the offer, with set specifications and criteria. The successful tenderer forms a contract with CRET based on the acceptance of specifications and criteria.

If the estimated expenditure is close to the tendering threshold of \$150,000 then tenders must be invited.

CRET should not attempt invoice or order splitting to avoid the tendering requirement.

Tendering can also be used where:

- i) Where there is a risk of 'would-be' tenderers claiming that CRET has 'preferential' arrangements with a single tenderer or that they would have tendered for the work if they had known the tender was open.
- ii) When expenditure exceeds \$150,000 (inc GST) over more than one accounting period.

## 6. PURCHASING METHODS

All purchases must be authorised by an officer with appropriate delegated authority.

A purchase is not to be split into components or a succession of orders for the same goods or services.

All purchases **MUST** be made using a **Purchase Order** with the following exceptions listed in 6.1 using a Payment Requisition, 6.2 Using Petty Cash and 6.3 Using Debit Cards.

### 6.1 Using a Payment Requisition

Subject to approval and financial delegations, the following may be processed on presentation of an invoice or bill:

- a) Refunds of - deposits, overcharges, bonds etc.
- b) Insurance premiums and excess
- c) Temporary employees
- d) Utility payments: water, electricity, phone
- e) Courier charges
- f) Board expense reimbursement
- g) Memberships and subscriptions of professional organisations and services.

### 6.2 Using Petty Cash

Petty cash may be used for purchasing of small incidental goods and urgent situations for CRET and is limited to \$110 (incl. GST) per transaction. Splitting of purchases to circumvent the limit or the multiple purchases of the same items over a period of time is not permitted. Petty cash claims are to be approved by authorised officers and records of claims and receipts should be maintained.

Tax invoices must be obtained for all purchases over \$75.00 (ex. GST) so tax input credits can be claimed.

### 6.3 Using Debit Cards

The Debit Card is another method of purchasing or paying for goods and services. Debit Cards are issued to CRET board members, Company Secretary and staff as authorised by the Board.

Debit cards should be used for incidentals which require immediate upfront or on-line payment i.e. airfares/memberships/functions/incidental catering or are one off purchases.

## 7. FINANCIAL THRESHOLDS & METHODS OF PROCUREMENT METHODS

### 7.1 Summary table

Financial limits ( inc GST )	Method of procurement	Delegated Authority
Under \$110	Petty Cash* Debit Card* Purchase Order	Executive Officer
Under \$1,000	Debit Card* Purchase Order Payment Requisition * Obtain 1 verbal quote	Executive Officer
Under \$3,000	1 verbal emailed or written quote from any supplier, Debit Card* Purchase Order	Executive Officer
\$3,001 - \$15,001	2 verbal emailed or written quote from supplier. Purchase Order	Executive Officer- up to \$10,000 Board approval required over \$10,000
\$15,001 - \$150,000	3 written or emailed quotes in response to a written specification. Purchase Order	Executive Officer- up to \$10,000 Board approval required over \$10,000
\$150,000 and over	Public /EOI/Tender process. Purchase Order	Executive Officer- up to \$10,000 Board approval required over \$10,000

\*Subject to conditions and financial limits.

### 7.2 Determination of value of the purchase or contract

Consideration should be given to the full value of the proposed purchase or contract. An assessment of the cost involved in the recurrent expenditure over the period of time of the life or currency of the agreement or contract should be undertaken to determine the method of procurement.

The accepted life of an agreement will be a period of time suitable to the purchaser.

A purchase must not be divided into a number of orders for the purpose of bringing each order below either:

- the threshold value at which written quotations are required; or
- the threshold value at which tenders are required.

The expenditure of goods or services used continually over more than one accounting period will be used to estimate the number of quotations required or the need for tender action.

CRET officers must ensure the budget is available before entering contracts for future periods.

### **7.3 Exceptions for Goods and Services over \$3,001 but less than \$150,000**

There may be exceptions where there is:

- (a) a genuine urgent circumstance,
- (b) where there is only one firm or person capable or available to undertake the task, or;
- (c) where it is a continuance of a previous specialised task.

Note the reason for not obtaining the required number of quotations on the requisition.

## **8. QUOTATION PROCEDURES**

A quotation is an external supplier's bid or offer to provide goods or services. A quotation represents a statement of price, terms of sale and description of goods or services offered by the supplier to CRET. Quotations are to be obtained for all the potential procurement costs for goods, equipment or services.

Quotations are utilised to ensure that CRET receives value for money based on fair competition.

### **8.1 Procedure for obtaining quotations**

1. Quotations must be requested in writing (above \$15,001) and a Quotation number issued. CRET will maintain its own record of quotation numbers issued.
2. A copy of a quote(s) must be attached to a purchase requisition. All quotations received will be registered in CRET's records management system.
3. Where more than one quote is obtained, a purchasing assessment must be completed on the CRET Quotation Requisition form. The purchasing assessment requires the quotations to be compared and a selection of the most suitable quotation to be made and recorded on the Quotation Requisition form.
4. For quotations over \$15,001, requests for quotations must include a written specification. Specifications must clearly set out the criteria which the potential supplier must address. As this requires a competitive process (i.e. more than

one quote), the specification criteria is used to contrast and compare the various quotes.

## **9. USING EXPRESSIONS OF INTEREST**

Expressions of Interest (EOI) may be used for non-tender procurement for goods and services over \$50,000.

EOI's may be used to attract local suppliers or to test the market if there is any interest of supplying goods/services within the LGA.

EOIs can be used as the first stage of the selective tendering process. However, if it is intended that the EOI will be followed by the issue of a selective tender, this process must be publicly notified or advertised with the EOI. Refer to Tendering Procedures for use of EOI in the selective tendering process.

### **9.1 EOI Template**

The EOI template should be used for drafting EOIs.

### **9.2 EOI principles**

The governing principles of using EOIs are:

- The EOI process must be conducted in accordance with the conditions which have been advertised. If CRET intends that the EOI should result in a specific action e.g. offer of contract or licence/lease, this should be set out in the EOI documentation.
- All potential applicants are provided with the same opportunities to make a submission or proposal to the CRET
- That there is consistency in the process e.g. timeframes, places of advertising, closure dates etc.
- Conditions for using the EOI should not be varied after the proposal has been advertised.

### **9.3 Preparation of EOI brief**

The organiser of the EOI must prepare a brief, which sets out the process and requirements of the EOI. The brief must include the following:

- Describe the purpose of EOI
- Identify and describe the likely outcomes of the EOI process.
- Determine the timeframe for advertising and completion of EOI process
- Determine the EOI assessment criteria. This includes identifying essential or mandatory criteria and non-essential criteria.
- Describe the process for managing the EOI and identification of stakeholders
- Set out the process for approval of the EOI e.g. Board resolution, delegated authority or Chairperson approval.

#### **9.4 Develop EOI information package**

An EOI or Request for Quotation information package should be developed which sets out the conditions for the EOI and criteria for assessment.

#### **9.5 Advertisement**

EOI advertisements are placed in local newspapers, or the Sydney Morning Herald. Advertisements should include the following information:

- Purpose of the EOI
- Availability of EOI information package
- Name and details of contact officer
- Closing date and time and specifying that late submissions will not be accepted.
- Procedure for lodging application

EOI's are advertised for a minimum period of 21 days to encourage public comment and reasonable time for applicants to prepare a submission.

#### **9.6 Availability of EOI documentation**

Potential tenderers will be directed to the CRET's website during the public notification period.

#### **9.7 Closing dates for submissions**

Late submissions will not be accepted. A late submission is a submission that is not received by CRET by the closing date or there is insufficient proof provided that the submission was sent on time (e.g. receipt mail etc.).

If CRET board wishes to consider a submission that was not received on time, contact should be made with the other applicants to advise that an extension of time has been given if they wish to provide further information.

#### **9.8 Further information or briefing.**

Prospective applicants can request further information to assist in developing their EOI submission. Consideration will be given to discussing a proposal with the board or Chairperson or Executive Officer. A record of any information provided to applicants must be kept in the records associated with the Tender.

Briefings must be advertised in the EOI with a date, time and place of meeting.

#### **9.9 Canvassing/lobbying of CRET**

EOI applicants are not permitted to canvass CRET staff or the Board.

## 9.10 Assessing Expressions of Interest

The Assessment of an EOI submission must follow that of the Tendering Assessment process outlined in section 10 of this document.

# 10. THE TENDERING PROCESS

## 10.1 Tendering Basics

Expenditure incurred over \$150,000 (inc GST) should be sourced via a tender process.

- 1) Methods of tendering are:
  - i) Selective Tendering - Invitations to tender for a proposed contract are made following a public advertisement calling for expressions of interest. After considering applications, all compliant companies from the EOI process should be invited to submit a tender with wherever possible a minimum of 3 companies being invited to progress to the next stage. Exceptions may be obtained where it is a highly specialised field of work that 2 or less suppliers may be invited to take part in a tender.
  - ii) Expressions of Interest – When you want to test the market and get a general feel about products available before going through a tender.
  - iii) Open Tendering - Tenders for the proposed contract are invited by public advertisement. This method will also attract local suppliers.
- 2) CRET's documentation on each tender or quotation issued should include:
  - i) conditions of tender
  - ii) specifications of tender or quotation
  - iii) selection criteria
  - iv) the advertisement containing details of lodgement and closing dates for submissions and any tender document charge
  - v) details of any proposed pre-tender meeting
  - vi) a list of general conditions of contract
  - vii) any other relevant material such as quotation forms, etc.
  - viii) returnable schedules as appropriate
- 3) The Executive Officer will ensure that all tender documentation relating to the calling of tenders is uploaded to the CRET website.
- 4) All tenders submitted to CRET are to be delivered and deposited in the Tender Box located in CRET Customer Service Centre, Narellan Library by the submitter, on or before the closing date.
- 5) All individuals and organisations lodging tenders and/or quotations with CRET for provision of materials, equipment or services must have an Australian Business Number (ABN), and must be registered for Goods and Services Tax. All such submissions must clearly state the submitter's ABN.

The successful tenderer must submit all requests for payment in a 'tax invoice' format. All tax invoices must adhere to the Australian Taxation Office's guidelines.

- 6) No contract shall be broken into separate parts to circumvent the requirements of this guideline.
- 7) Lobbying of CRET staff or board members by tenderers or their agents is not permitted and shall result in their disqualification from the tender process. For the purposes of this clause 'lobbying' shall include seeking to influence, seeking to obtain support or assistance, and urging or persuading.
  - a. All Tender requests, quotations and expressions of interest issued by CRET will clearly state that CRET is committed to an open and transparent process.
- 8) Information presented in tender/EOIs/ quotations shall only be treated as confidential if disclosure of this information would be likely to prejudice the commercial position of the tenderer or reveal a trade secret.
- 9) Tenderers must clearly indicate which aspects of their submissions is 'Commercial in Confidence'. Any information requested by the submitter to be treated as confidential must be clearly marked and must be able to be separated from the body of the tender submission. Any request for confidentiality by a submitter must be accompanied by reasons for such a request.
- 10) All material not so indicated will be deemed not to be confidential.
- 11) CRET reserves the right to decline any tender submission where excessive confidentiality is sought as it erodes CRET's commitment to openness.
- 12) No contractor shall occupy a site in any way, begin any work, or incur any costs on CRET's behalf unless a signed contract or letter of acceptance, together with a Purchase order has been issued.

## **10.2 Tender Specifications and Assessment Criteria**

### **10.2.1 Specifications**

Specifications used in tenders and quotations should be clearly written in a manner that encourages open and effective competition, ensures impartiality and objectivity, encourages sustainability and eliminates unnecessary requirements.

Specifications will not include any feature which discriminates, either directly or indirectly, against any supplier or group of suppliers. Specifications should encourage suppliers, wherever possible, to offer alternative options which can reasonably be adapted to meet requirements.

Standard Contract clauses should be contained in the Tender document.

## 10.2.2 Assessment Criteria for Tenders

Tenders called by CRET will be assessed using the following standard assessment criteria as a minimum. Whilst other criteria may be used which are more specific to each tender, the following selection criteria must be applied to all assessments:

Evaluation Panel Members will assess tenders against the **Selection Criteria** set out in the Request to Tender using an Evaluation Matrix.

The assessment of the **pricing submissions** shall be carried out using the Evaluation Matrix. Cost comparisons between all competing submissions including ongoing costs, fixed and variable costs, proposed price increases during the term of the contract need to be carried out to determine the submission which provides the best value for CRET. Submissions are to be ranked on the basis of value from best to least.

At least two **reference checks** will be conducted on the highest ranked / selected tenderer/s as recommended by the Tender Evaluation Panel. The results of the reference checks will be provided to the Tender Evaluation Panel for consideration.

A **Company Financial and Credit Check** will be obtained in the form of an external agency report for the highest ranked/selected tenderer/s. Such checks may include an ASIC company search, Company Credit Check, Company and Director Reports, Indemnity and other Insurances. This will be determined depending on contract value or risk of purchase.

When purchasing goods, materials or services for CRET, the provisions of the WH&S Act 2011 should be adhered to. The provisions of the Act include:

- i) Ensuring that any plant or substance provided for use by the employees at work is safe and without risks to health when properly used.
- ii) providing such information, instruction, training and supervision as may be necessary to ensure the employees' health and safety at work.
- iii) all safety operating information must be supplied with all products and equipment.

Other considerations to be taken into account in the assessment of tenders and quotations may include:

- i) Implications of contractor failure and the risk of being contractually obligated to one provider.
- ii) Where plant and equipment is involved, the likely state of plant and equipment at the time of renewal, and the need to plan ahead for capital replacement.

- iii) The possible benefits to be gained by purchasing from a geographical location which may provide benefit to CRET. For example, improved communication, after sales service, reduced freight costs, local knowledge of conditions and sites.
- iv) CRET will require contractors to have systems in place which ensure that subcontractors are paid during the execution of the contract, or to satisfy CRET that suitable alternative arrangements are in place.

### **10.3 Weighting of Selection Criteria**

The Tender Evaluation Panel shall provide the appropriate weighting in the Evaluation Matrix for each of the selection criteria, according to its level of importance for the delivery of goods or service to be provided.

The Tender Evaluation Panel shall convene prior to the Tender closing date to develop and agree on the Selection Criteria weightings.

Once submissions have been received an Evaluation Matrix must be used to score the Tender submission.

### **10.4 Key Considerations in Assessing Tenders**

- i) Impartiality - Impartiality must be observed throughout the entire tendering process so as not to exclude or favour any tenderer.
- ii) Conflict of Interest - Any conflict of interest must be declared immediately to the CRET Board.
- iii) Insurance - The type and level of insurances required, particularly public liability insurance will be investigated when arranging a specification for the particular contract.
- iv) Best Value - CRET will base procurement decisions on a principle of "value for money" over the life cycle of products rather than 'lowest cost'.
- v) Transparency of Process - Principles of transparency, consistency and probity will be applied to all processes in the preparation, advertisement, assessment and management of tenders and quotations by CRET.
- vi) Accountability - Accountability is important as funds must be used in the most cost effective and efficient manner to achieve the best value for CRET.

### **10.5 Tender Evaluation Panels**

A Tender Evaluation Panel comprising of a minimum of 3 people and including 1 independent will be convened to oversee and assist in assessment and selection of specific tenders and quotations. The composition of the tender panel will be determined by the CRET Board using board members expertise relevant to the area associated with the tender.

From time to time it may be necessary to utilise external expertise to assist the panel in development of specifications, assessment and selection. In these instances, the same standards of declaration of interests apply as those that apply

to consultants and professional services. Any appointment of a consultant or professional services in a tender process must be approved by the Board.

**The Panel's role will include:**

- i) Agree on Weightings for selection criteria prior to tender closing
- ii) Conduct pre-tender meeting and interviews as appropriate
- iii) Develop a tender evaluation plan
- iv) Oversee tender assessment process.
- v) Score tenders as per selection criteria
- vi) Discuss and clarify any discrepancies in scoring
- vii) Determine referees to be contacted and review reference check results
- viii) Review results of Financial assessment analysis
- ix) Recommend the preferred tenderer based on the overall scores from the financial assessment, reference checks and ranking from evaluation scores.
- x) The Findings will be summarised in the Tender Evaluation Panel Report signed by all the panel members and supported with all the relevant documents.

Copies of all tender assessment matrixes completed by members of the tender assessment panel must be placed in a Document Management System or similar secure database with the names of the members noted on each.

## **10.6 Tender Evaluation Panel Report**

Upon completion of the evaluation and scoring, Reference checks and a Company Financial check will be completed on the highest scoring tenderer. The Tender Evaluation Panel Report will capture all the findings and the recommended tenderer.

## **10.7 Non-Conforming Tender**

Upon the reaching of the tender deadline date, the tender box is officially closed and no further tenders will be accepted.

The Tender Evaluation Panel will check tenders for conformity as outlined in the Conditions of Tendering guidelines in the Tender documents supplied to Tenderers.

If a tender received is non-conforming, a file note must state the reason why the tender was classed as non-conforming and not considered.

## **10.8 Consultancies and Professional Services**

Consultants commissioned to undertake any work involving the submission of a report, advice, or recommendations to CRET on any matter shall be required to disclose any pecuniary interest prior to the commissioning of the work.

Any invitation to tender or offer distributed or advertised by CRET shall include a statement that a declaration will be required to be submitted prior to the commissioning of any work.

CRET will retain the right not to proceed unless an acceptable declaration to CRET is submitted. CRET will incur no liability, and no binding agreement will be formed, until a declaration is received and accepted.

If, during period of contract, the consultant is made aware of any pecuniary interest not previously known or recorded, an amended declaration is to be completed and immediately brought to the attention of the Executive Officer and/or Chairperson.

## **11. ETHICS AND INTEGRITY**

CRET requires that the highest ethical standards be observed in all its purchasing and tendering procedures. These standards include:

- i) Honesty and fairness - tendering, procurement and business relationships are managed with honesty, fairness and probity at all levels. CRET must not disclose confidential or proprietary information.
- ii) Accountability and transparency – the process for awarding contracts is open, clear, fully documented and defensible.
- iii) Consistency - that consistency is applied to stages of the tendering process e.g. that all relevant tender requirements e.g. specifications and evaluation criteria are fully outlined in tender documents.
- iv) Conflict of interests - that any conflicts of interest are identified, addressed and recorded without delay.
- v) Lawful - that CRET complies with all legal obligations.
- vi) Competition practices - which CRET does not engage in practices that are anti-competitive or collusive.
- vii) No improper advantage - that no potential tenderer is given an advantage over others.
- viii) Intention to proceed - that CRET only invites or submits tenders with a firm intention and capacity to proceed with a contract and that adequate funds are available to fulfil contract.
- ix) Co-operation - that CRET encourages co-operative business relationships based on open and effective communication, respect and trust, and adopt a non-adversarial approach to dispute resolution.

In addition to existing statutory remedies, CRET shall be entitled to disqualify any tender and recover from the tenderer the amount of any loss resulting from such qualification if:

- i) A tenderer (including any person employed by the tenderer or acting on behalf of the tenderer (whether with or without the knowledge of the tenderer)) has offered or given or agreed to give to any person any gift or consideration of any kind as inducement or reward for any action in relation to the tender or any other contact with CRET.

- ii) A tenderer directly or indirectly must not canvass support from board members or employees of CRET.
- iii) All correspondence is to be in writing, with the Tender name and number included in the subject line.

## **12. INFORMATION MANAGEMENT**

### **12.1 Confidentiality**

CRET is committed to ensuring confidentiality of information particularly in circumstances where tender information received from tenderers is intellectual property, proprietary, commercial-in-confidence or otherwise confidential.

### **12.2 Commercial-in-Confidence**

Information presented in tender/EOIs/Public quotations shall only be treated as confidential if disclosure of this information would be likely to prejudice the commercial position of the tenderer or reveal a trade secret.

All material not so indicated will be deemed not to be confidential.

CRET reserves the right to decline any tender submission where excessive confidentiality is sought.

### **12.3 Record Keeping (Document Management System)**

In conducting the purchasing and tendering process CRET officials must ensure that all activities and documents are fully recorded and the records are accurate and accessible.

This includes decisions to commence EOI and Request for Tender (RFT) decisions, approvals and advertisement placed in the local paper. A separate Folder labelled with the Tender Number and Name is to contain all the relevant Tender documentation and correspondence in their entirety.

### **12.4 Recording Purchasing Decisions**

CRET will maintain full records in relation to purchasing decisions; this can include documentation such as:

- i) Submissions or reports regarding decision to purchase noting requirements and specifications, determination of purchasing method
- ii) Recording of potential conflicts of interest
- iii) Purchasing Assessment Form, recording quotations and reasons for accepting or refusing quotations and signed authority
- iv) Copies of quotations and relevant documentation
- v) Copies of purchase orders
- vi) Receipts of completion of goods or services received and invoices for payment.

This information is to be recorded in CRET's Document Management System.

## **12.5 Recording Tendering Decisions**

CRET officers must ensure that all activities including meetings, phone calls, conflict of interest declarations and correspondence are accurately recorded and maintained. All records relating to a tender process must be stored in a Document Management System or similar secure database.

CRET must maintain full records of the entire tendering process. This includes:

- i) CRET board decision to tender
- ii) Copies of the public advertisement
- iii) Complete copy of the tender documents provided to tenderers
- iv) Names of all tenders submitted and their full tender documentation
- v) Policy or procedure regarding the operation of tender evaluation
- vi) Panels and the names of staff involved
- vii) Tender evaluation criteria and weightings
- viii) Evaluation plan
- ix) Minutes from Tender evaluation meetings
- x) Document policies, procedures and decisions regarding risk assessment and management
- xi) Comprehensively document all communications with potential tenderers that is made via contact officer
- xii) Separately document the recommendation, review and final approval stages to ensure the process is transparent
- xiii) Prepare an evaluation report on each tender
- xiv) Prepare a final report that documents the reasons, based on the tender criteria, for selecting the successful tender or, not accepting any of the submitted tenders
- xv) Ensure that documents about the tenders and the evaluation process are stored and handled securely
- xvi) Retain complete and comprehensive records of all tenders, evaluations and any negotiations as well as the contract itself
- xvii) CRET board Approval/Acceptance of the tender

## **13. QUALITY AND RISK**

### **13.1 Quality Assurance**

Quality assurance is a systematic process that should be bound into the tender and the subsequent contract. It is the way the quality of an end product, as expressed in the functional specifications, can be assured in terms of fitness for purpose and in meeting user requirements. The following should be considered:

- i) When preparing the specification, specify the appropriate recognised Quality Systems Standard or Policy
- ii) When considering tenders, treat the specified Quality Systems Standard or Policy as a deliverable under the contract like any other mandatory requirement

- iii) When selecting the successful tender, obtain evidence of the tenderer's ability to meet the specified Quality Systems Standard or Policy
- iv) When monitoring performance, make sure the tenderer performs to the specified Quality Systems Standard or Policy in the tender documents

A system of Quality Control which requires that the successful tenderer meet specified quality standards before the service or product is accepted by CRET may be included in tender specifications. Under such an approach, CRET needs to ensure that the required quality standards are clearly set out in the tender documents and contract and that the process for assessment is clearly defined.

### **13.2 Risk Management**

A risk assessment matrix should be considered for each tender. This will identify likely areas of risks during the planning stage. This will assist with being able to implement steps that can then be taken to manage and minimise the level of risk during the tendering process and once the tender has been awarded.

All decisions regarding risk identification, assessment and management should be recorded in the relevant tender folder in the Document Management System.

## **14. MONITORING**

### **14.1 Contract Management**

In accordance with managing the deliverables for the contract, the supplier should be assessed on a regular basis. The Executive Officer is responsible for ensuring the performance of the contract is satisfactory.

Regular monitoring of the delivery of services, quality, and cost should be tracked against agreed targets on a monthly or quarterly basis by the Executive Officer.