

Purchasing and tendering policy

| Cemetery trust (hereafter referred to as ‘the trust’): |  |
| --- | --- |
| Date policy adopted (trust meeting date): |  |

The trust adopted this policy at its trust meeting on the date specified above. This policy will be reviewed two years from the date the policy was adopted.

# Purpose

The purpose of this policy is to ensure that procurement for the trust is consistent with the Victorian Government Purchasing Board (VGPB) guidelines.

# Scope

This policy applies to all cemetery trust members and non-member secretaries involved in procuring goods and services for the trust.

# Guiding principles

All purchasing activities are based on the following four key principles extracted from the VGPB**:**

* Value for money – taking into account the benefits and costs over their life, environmental, social and economic factors and any risks related to the procurement
* Accountability – based on appropriate levels of authority and responsibility
* Probity – through integrity, ethical behaviour, fairness and transparency
* Scalability – governance policies and processes are appropriate and efficient, and taking into account the capability of the resources available

# Thresholds

| Estimated purchase value | Minimum requirement | Authorised by |
| --- | --- | --- |
| Up to $5,000  | One verbal or written quote | Trust or chairperson |
| $5,000 up to $25,000  | One written quote  | Trust |
| $25,000 up to $50,000 | Two written quotes | Trust  |
| $50,000 up to $500,000  | Invite three potential tender participants to participate in a limited tender  | Trust |
| More than $500,000  | Open tender  | Trust |

Purchase/procurement of goods and/or services will not be split into separate parts to circumvent the threshold requirements. The tender process may be used for lesser value projects or purchases at the direction of the trust.

Where there are insufficient potential service providers for a public tender or for written quotes, this will be documented and approved by the cemetery trust chairperson.

# Approving expenditure

Items approved through the current year’s budget process do not require additional authorisation by the trust, provided they fall within the delegation levels of the trust member, as per the trust’s instrument of delegation. The expenditure can be for assets and recurrent items.

All information provided to suppliers when requesting quotes or tenders for goods and/or services will be identical.

Major expenditure (over $5,000) will be authorised by the trust at its meeting and reported, when actioned, for compliance with budget limitations. All invoices will be approved for payment by any two trust members as outlined in the trust’s instrument of delegation.

Exceptions may occur for urgent repair works. Invoices under $5,000 for urgent works or to meet an approved contractual obligation can be paid with the approval of the chairperson and one other trust member. Payments made under these circumstances will be recorded and presented for ratification at the following trust meeting.

# Tendering

Tender specifications, together with selection criteria and weightings (if appropriate), will be prepared and signed off by the chairperson before being advertised. Requests for tenders must appear in a paid advertisement in a paper circulating in the relevant area. If there is a limited or insufficiently skilled supplier market, requests for tenders will be advertised in major metropolitan newspapers.

A supplier may be directly approached only if there is a limited supplier market.

Late tenders will not be accepted under any circumstances.

All tenders will be received by the trust. Tender envelopes will be initialled, dated and remain sealed in a secure location until ready for review by the trust members participating in the assessment process.

A minimum of two trust members must be appointed to be present to open the tender envelopes and to review and prepare a selection recommendation report to the trust. The report will include:

* compliance with technical skills and qualifications
* price / value for money
* previous or similar work and a summary of referee reports
* timeframe for completion.

Where deemed appropriate, the trust may obtain independent outside expertise. Trust approval will be minuted and all tenderers will be advised in writing (letter or email) of the trust’s decision.

Where possible the trust will purchase locally, provided it is not detrimental to the trust.

# Contractor agreements

Providers suppling significant works (> $15,000 p.a.) and successful tenderers must sign a contractor agreement prepared by the trust. Contractor agreements maybe required by the trust for works of lesser value at the request of the trust.

# Complaints management

Complaints raised through the tender process or procurement of goods and services will be managed in accordance with the complaints policy adopted by the trust and processes outlined in the *Manual for Victorian Class B cemetery trusts*.

# Financial management

All transactions are to be undertaken in accordance with the cash management policy adopted by the trust and the *Financial guidelines for Class B cemetery trusts*.

# Relevant VGPB policies

* [Governance](https://www.buyingfor.vic.gov.au/governance-goods-and-services-policy-and-guides) - <https://www.buyingfor.vic.gov.au/governance-goods-and-services-policy-guides>

VERSION CONTROL

| No. | Date | Comments | Next review |
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