

Procurement Policy

1. Purpose

This Policy outlines the obligations to ensure consistent procurement practices across The Gordon and defines our approach to procurement. The procurement of goods and services accounts for a significant percentage of the Institute's expenditure. The Institute recognises the impact its procurement activities have on the financial, social and environmental health of the Institute and the broader community. The purpose of this policy is to establish a more strategic approach to procurement involving greater management and oversight, and better coordination and integration of activity across the Institute.

This Policy establishes the directions that must be implemented relating to the procurement of goods and services by the Institute. The Institute is required to implement and maintain an effective internal control framework over procurement activities.

2. Scope

This Policy applies to the acquisition of all goods and services by or for all Institute staff, students or contractors either purchased or leased from vendors, for and on behalf of the Institute. This Policy does not cover procurement of building and construction "works" and "construction related" expenditure that fall under Ministerial Directions made under the *Project Development and Construction Management Act (PDCM) Act*. The Ministerial directions and Instructions for public construction prescribe principles and procedures that Victorian departments and agencies follow when they procure public works and services.

- Mandatory Instructions for Public Construction in Victoria (effective 1 July 2018);
- Non-mandatory Guidance for Public Construction in Victoria (effective 1 July 2018).

3. Overview / principles

Effective internal control procedures must be implemented and maintained by the Institute to ensure all procurement activities of the Institute are authorised in accordance with the delegated authorities and business requirements within a documented procurement framework. Procurement activities within the Institute includes ethical, compliance and financial obligations, as well as opportunities for financial savings, improved sustainability, service and quality. The Institute must ensure the following purchasing principles are adhered to:

- Institute Delegations
- Value for Money (low environmental and social impacts)
- Accountability and Maintain comprehensive and well documented records
- Open and Fair Competition (Quotation and Tender processes adhered to)
- Risk Management.
- Probity and Transparency
- Innovation
- Accountability
- An understanding of the market
- Customer Service
- Reductions in the administrative costs of procurement processes
- Improved purchasing efficiency and control (avoid unnecessary consumption)
- Electronic transaction data for reporting, analysis and control

- Comply with any and all directions regarding the use of Institute Approved Suppliers Contracts, e.g. travel, stationery etc.
- Comply with *Conflict of Interest Policy and Procedure*

There must be sufficient justification to demonstrate that there is a need for the goods and services to be provided and that the economical and sustainability considerations have been fully considered prior to the purchase of any goods and / or services.

The Institute recognises that it has a role to play in providing support for the development of awareness, understanding and competency in relation to sustainable purchasing in accordance with VGPB requirements

The Institute will purchase under SPC's where they have been agreed to.

Figure 1: Procurement policy base

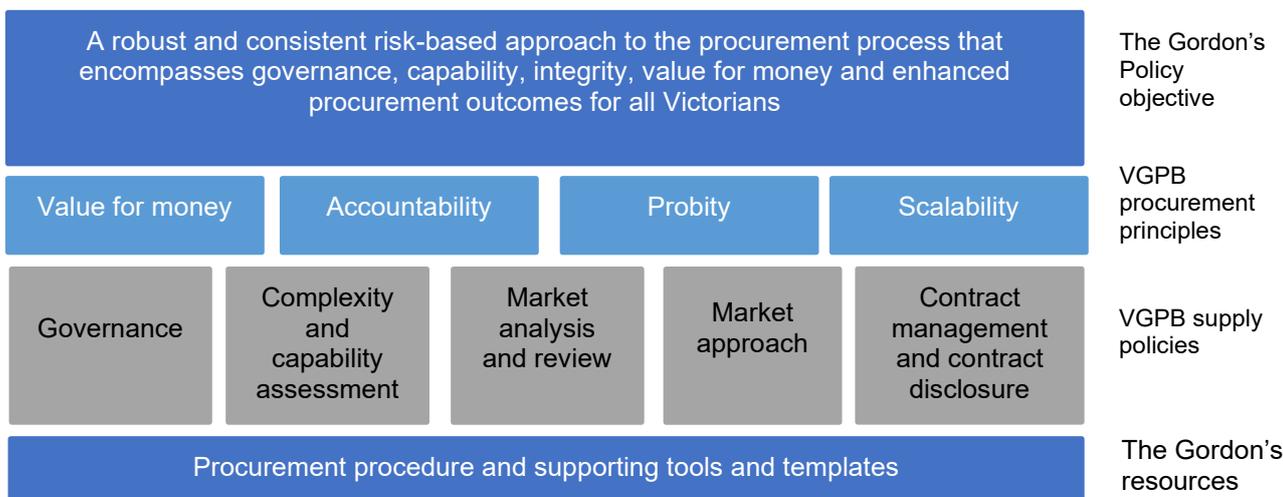


Figure 2: Procurement principles

When applying the procurement policy, the Institute must ensure that all procurement activities meet the following principles which are set by the VGPB and mandatory throughout the procurement process.



1. For goods this includes the acquisition costs, maintenance and net cost of disposal. For services it includes the transitioning in and out of the contractual relationship.

4. Responsibility

Position	Responsibility / Governance
Board	Ratifies the procurement of goods and services policy, and oversees and reviews the policy to ensure that The Gordon has a culture of good practice and compliance
Audit and Risk Management Committee (ARMC)	Oversees regular reviews Institute policy in practice via internal audits as appropriate. The ARMC monitors progress and activities and reports to the Board
Chief Financial Officer and Chief Operating Officer	Responsible for ensuring compliance with procurement policies and procedures across The Gordon, continuously improving procurement of goods and services strategy, policy and procedures for Board consideration.
Chief Executive Officer	Drives a positive procurement culture and endorses any annual reviews

Executive Team	Responsible for the implementation and maintenance of sound procurement practices throughout The Gordon by managers in the areas for which they are responsible.
Leadership Group	Ensures that all staff follow procurement of goods and services policies and procedures ensuring all procurement activities of the Institute are authorised in accordance with the delegated authorities and business requirements.
All staff	Has responsibility to consider, manage and comply with procurement policies and procedures as part of their roles and to work together to build the Institute's capability to focus on improving outcomes for the communities we serve.

5. Definitions

The following terms and abbreviations are specific to this policy:

Name	Description
Conflict of Interest	Is assessed in terms of the likelihood that members of the Institute community possessing a particular interest could be improperly influenced, or might appear to be improperly influenced, in the performance their duties.
Board member	Member of Institute Board other than a staff member of Board.
Delegation	Financial delegation in accordance with the Institutes Delegations policy.
Disbursements	Payments made to third parties including, but not limited to, grants, capital expenditure, salaries and other recurrent expenditure.
Exemption	An exemption from a SPC may be granted to purchase outside of a category.
Financial Records	Institute Financial Management System General Ledger incorporating subsidiary ledgers as maintained by the Finance department.
Probity	Evidence of ethical behaviour in a particular process.
Procurement	Process of acquiring goods on behalf of the Institute and the department established by the Institute and promote and oversee best practice processes for goods and services purchased by the Institute ensure value for money.
Procuring / Purchasing	The process of placing orders and buying goods or services for the Institute.
Procurement Governance	The process by which the Institute holds itself to account for its procurement decisions and processes. Governance involves leadership, accountability and responsibility.
Purchasing card	An official Institute corporate credit card available to Institute Staff members with a Financial Delegation.
Staff member(s)	Staff employed by the Institute.
State Purchasing Contracts (SPC)	Standing offer agreements for Victorian Government common use goods and services, established where value for money can be best achieved through aggregated demand.
Institute Funds	Any funds held in any Institute account, regardless of the funding source. All Institute funds are considered to be Public Monies and must be treated in accordance with the <i>Financial Management 1994</i> .
Victorian Government Purchasing Board (VGPB)	The Board which sets the policies that govern procurement of non-construction goods and services across all Victorian government departments and some specified entities.

6. Key Aligned Internal Documents

Refer to the [Operational Management System \(OMS\)](#) for copies of all policies, procedures and supporting documents. Also refer to *Purchase Order Exemptions (Register maintained by Finance)* and the [The Gordon Reconciliation Action Plan](#).

Information about Insurance FIN RD 42.01

Purchasing Terms and Conditions FIN RD 42.02

Supplier Problems Report Form FIN FO 42.01

Application for New Supplier / Creditor Form FIN FO 42.02

Delegation of Authority FIN FO 01.01

Fraud, Corruption and other losses Policy and Procedure FIN PR 05

Tendering FIN PR 41

Purchasing Card Use FIN PR 43

Conflict of Interest SHRD PO 16

7. Key Aligned Legislation / Documents

[Standing Directions of Minister for Finance under Financial Management Act, Vic, 1994](#)

[Australian Accounting Standards](#)

[Freedom of Information Act 1982 \(Vic\)](#)

[Local Jobs First Act 2003 \(Vic\)](#)

[Ministerial Directions and the Instructions for Public Construction Procurement](#)

[Project Development and Construction Management Act 1994 \(Vic\)](#)

[Victorian Protective Data Security Standards \(VPDSS\)](#)

8. Review and Approval

Business Process Owner	Chief Financial Officer		
Endorsed by (if applicable)	Audit and Risk Management Committee	Endorsed Date	12 November 2024
Approved by (if applicable)	The Gordon Board	Approved Date	5 December 2024
Review schedule	This policy will be reviewed annually (or earlier as required)		
Date of next review	5 December 2025		

Minor Structure changes outside of Review schedule		
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