



PURCHASING (PROCUREMENT) POLICY

Policy & Guidance

- The policy has been developed by the Department, in consultation with key stakeholders including schools, to describe the requirements for all procurement activities carried out for or by schools.
- This policy has been endorsed by the Department's Executive Board and a Ministerial Order issued which makes it mandatory for all Victorian government schools, including School Councils. This policy takes precedence for schools-based procurement activities for goods and services over any other policy, procedures, guidelines or materials.
- It is mandatory for all schools and School Councils to follow this policy. Schools must not develop local policies in relation to procurement.
- This policy applies to the procurement of all goods and/or services for all schools, irrespective of value, unless otherwise stated.
- This policy does not apply to the following areas of spend:
 - procurement of construction works that fall under the Project Development and Construction Management Act 1994 (Vic). For information about construction procurement refer to: [Procuring Low-Value Construction Works and Services](#). The Schools Procurement Branch can assist you with understanding whether your procurement falls within this category.
 - payments for or relating to payroll, tax, superannuation or workers compensation
 - payments via grants, loans or sponsorship
 - For the following areas of spend it is important to note that this policy must be followed in addition to the following other policies that apply:
 - [Vehicles \(including buses\) — Owned or Hired by a School](#)
 - [Travel](#)
 - Mobile phones, laptops and other electronic devices — refer to: [EduSTAR — ICT Services, Software and Advice for Schools](#)
 - The Schools Procurement Branch is available to support schools with any procurement queries or processes.

Purpose

- This policy sets out the rules, behaviours and standards relating to procurement activities conducted by and on behalf of Victorian government schools.

Definition

Procurement is the term used to describe the collective group of activities undertaken to obtain goods or services from third parties. The end to end procurement cycle extends from identifying the need for goods or services through to contract management. Detailed guidance on how to complete each source-to-contract and contract management step is contained within the [Schools Procurement Procedure](#) (login required) which must be read in conjunction with the policy.

Implementation

- Footscray North Primary School, under the direction of the Business Manager, will ensure the following procurement activity is carried out in accordance with the key principles of:

- value for money
- probity
- accountability and
- capability

1.1 Value for money

Value for money is defined as the making of procurement-related decisions based on a range of financial and non-financial factors to ensure that the goods and/or services procured achieve the optimal outcomes by balancing cost, quality and the ability to meet the required specification/s. Value for money must be a demonstrable consideration in all procurement activities.

1.2 Probity

Maintaining the public's confidence in the procurement activities of schools is essential. The adherence to high standards of integrity and impartiality are the necessary preconditions to achieve good probity standards. For example:

- integrity through evidence-based decision making
- avoid any activities which impinge, or could reasonably be seen to impinge on impartiality
- conduct procurement activity in the best interests of the state, with consideration of ethical use of taxpayer money
- conduct procurement activity without prejudice or unjustified preference
- decline gifts, gratuities or any other benefits which may be seen to influence procurement-related decisions and
- conduct procurement activities without favour for suppliers with whom there is a personal or familial relationship

Where a conflict of interest arises, the person or persons involved must act to undertake all steps necessary to limit risk and correctly manage the conflict of interest in accordance with the [Conflict of Interest Policy](#) and [Conflict of Interest Framework](#).

1.3 Accountability

All procurement activity will be carried out with the required level of accountability, as determined by the School Council. Only appropriately designated persons can procure goods and/or services and this procurement can occur only where the required approvals have been obtained. Refer to the [Finance Manual – Financial Management for Schools](#) for more information about approvals.

1.4 **Capability**

The School Council and the Principal as Executive Officer of the School Council will delegate procurement activities to staff with appropriate capability, who must follow this policy and procedures (refer to Resources tab at the website below for Procedures). The Department will provide support for all school staff who need help in understanding requirements and following the policy and procedures.

2 Determining the market engagement approach

The procurement of more complex goods and/or services may require a higher degree of procurement expertise and a more detailed market engagement approach. Complexity can be determined via a number of drivers such as value, importance to the school, and uniqueness of specifications.

The value of the procurement activity will be the primary indicator of its complexity — the greater the dollar value the more complex the procurement is likely to be.

The school will refer to the procurement thresholds listed in the Schools Procurement Procedure found in the Resources tab for the minimum acceptable approach to engage the market (for example, the minimum number and type of quotes, public tender) based on the estimated total value of the procurement activity.

The school will contact the Schools Procurement Branch (SPB) when undertaking procurement activities that require a public tender and when an exemption is required. The school will seek advice from the SPB if they have queries related to the market engagement approach.

Any documents used when undertaking source-to-contract or contract management activities will be retained by the school to provide evidence that the procurement process was conducted in line with this policy.

Staff also will comply with their record keeping obligations under the Public Records Act 1973 (Vic) when undertaking procurement activities. Refer to [Records Management — School Records](#) for an explanation of the types of documents that need to be kept and the length of time for retention.

- Please refer also to the *Asset Management Policy* and the *School Purchasing Card Policy*.

Evaluation

- This policy will be annually (preferably in February) or if guidelines change (latest DET update late August 2020).

A mandatory policy
School Council Approval Required

This update was ratified 15th February 2021

References:

Financial Manual - Financial Management for Schools July 2020

<https://www2.education2vic.gov.au/school/pal/finance-manual>

<https://www2.education.vic.gov.au/school/pal/receivables-and-cash-handling-finance-manual-section-11>

and

<https://www2.education.vic.gov.au/pal/procurement-in-schools>