

# Procurement Policy

Division Name - Finance

Policy Details			
Department	Finance	Policy ID	MCET-725537380-6793
Sponsor	Chief Financial Officer	Version	1.0
Responsible Officer	Head of Finance	Approved Date	25/10/2024
Review Frequency	Two Yearly	Next Review Date	24/10/2026

## 1. Purpose

The purpose of this policy is to provide principles, guidelines and rules specifically tailored to MCET's procurement activities.

## 2. Application

This policy applies to all Procurement at MCET, and to all employees involved in any Procurement.

## 3. Definitions

Term	Definition
Procurement	The process and practice of sourcing, contracting and acquiring the goods and services that an organization needs to fulfill its business objectives.
Value for Money	The optimal combination of financial and non-financial factors realised through the lifecycle of the goods and services procured.
Approved Supplier	An organisation, or individual, including all their employees and sub-contractors, with a formal agreement or purchase order with MCET to provide specific goods or services to MCET.
Employee	All persons employed by MCET, and contractors, consultants, and any individuals or groups undertaking procurement activities for or on MCET's behalf.



## 4. Policy Statement

MCET is committed to ethical, sustainable and socially responsible procurement. MCET is subject to and operates within the required procurement framework set by the **Victorian Government Purchasing Board (VGPB)** and aims to meet all requirements of the VGPB regarding probity and operate transparently in all procurement activities.

MCET requires its suppliers meet the requirements of the [Victorian Government's Supplier Code of Conduct](#). The Code is applicable to all government sector contracts, agreements, and orders for the supply of goods and services, and construction works and services.

When undertaking Procurement, MCET is committed to ensuring that:

- It has regard to relevant approved Victorian Government frameworks (VGPB, Social Procurement, Equity and Diversity, and Sustainability);
- Rules and processes are clear, transparent, assign accountability and deliver procurements with the standards of probity expected by the Victorian public;
- The standards and controls contained in this policy are effective at minimising or eliminating fraud and corruption and other behaviours that might bring MCET into disrepute.
- Best Value for Money and open and fair competition are promoted.

## 5. Procurement Principles

MCET will undertake Procurement in accordance with the following principles:

- **Inclusive Supplier Collaboration**

MCET ensures fair and inclusive engagement with suppliers, providing equal opportunities for participation that align with the specialised requirements of the operational environment.

- **Value optimisation through operational excellence**

Procurement activities are strategically aligned to optimise value, enhancing operational excellence and contributing to the seamless execution of events hosted within MCEC.

- **Lifecycle alignment**

Recognising the nuanced demands of MCET's operational environment, procurement decisions consider the entire lifecycle of goods and services, tailored to meet the diverse requirements of MCET events.

- **Probity, accountability and transparency**

MCET staff uphold the highest standards of probity, ensuring accountability for procurement decisions in the specific operational context of MCEC.

- **Social and Sustainable Procurement**

Based on the Social Procurement Framework of the Victorian Government, MCET is committed to delivering positive social and sustainable outcomes to the Victorian community. This approach encourages the consideration of environmental and social criteria for all procurement including, but not limited to the following objectives;



- Opportunities for Victorians with disability
- Women's equality and safety
- Supporting safe and fair workplaces
- Sustainable Victorian social enterprise and Aboriginal business sectors
- Environmentally sustainable outputs
- Environmentally sustainable business practices

MCET expects suppliers of goods or services to operate in a responsible manner and to meet and exceed basic standards of environmental and social performance.

- **Collaborative procurement**

MCET actively seeks collaboration with suppliers and entities within the event ecosystem, leveraging collective strengths to enhance operational excellence and deliver exceptional events within the organisation.

- **Aggregation**

During the planning phase of procurement activities, MCET assesses the total value of current and future procurements specific to the operational environment of the organisation. Opportunities for aggregation are identified to streamline operations and enhance efficiency in delivering a diverse range of events.

- **Complaints Handling**

Complaints relating to any stage of the procurement process are taken seriously and treated with due care, transparency and diligence.

- **Risk Management**

Procurement risks related to suppliers must be identified, assessed and appropriately mitigated/managed.

## 6. Governance Standards

- **Procurement Mechanism**

MCET undertakes procurement via two approaches, through the day-to-day issuing of purchase orders via MCET's ERP system (Purchasing), and through a strategic procurement approach including the analysis, sourcing and contracting of specific goods and services (Strategic Sourcing). Either a purchase order or a contract must have been authorised and completed prior to any supplier commitment being made.

- **Approved Suppliers**

The MCET Procurement function shall maintain a categorised list of approved suppliers that are available for MCET to purchase from on a day-to-day basis. The MCET Procurement team shall monitor the performance and effectiveness of the approved suppliers.

- **Procurement Planning**

For all procurement initiatives and expenditure with an aggregated value **over \$75K**, a Procurement Plan must be prepared and endorsed identifying the following key elements of the procurement:



- The complexity of the procurement activity.
- Background information identifying why the need for the procurement activity exists.
- Market context and market engagement strategy of the procurement.
- Scope and requirements of the procurement.
- How supplier responses or proposals shall be evaluated.
- Governance requirements of the Procurement.

● **Ad-hoc Procurement**

Where a procurement requirement under \$75K can't be met by utilising an Approved Supplier (as per section 6.2), a Pre-Purchase Assessment must be submitted for endorsement. The following table sets out the requirements for seeking competitive quotes as part of the Pre-Purchase Assessment **when no Approved Supplier is available**.

Expenditure	Quote Requirement
\$0 - \$7.5K	1
\$7.5K - \$30K	2
\$30k - \$75K	3
Over \$75K	Endorsed Procurement Plan

MCET recognises that in certain situations it may not be possible to obtain the required number of quotes. In this situation, the Pre-Purchase Assessment must provide a satisfactory explanation of the reasons why the quote requirement could not be met, and both the relevant Executive team member and the Head of Finance must endorse this approach before the procurement may proceed.

● **Awarding of Contracts**

A Recommendation to Award must be prepared and endorsed following the completion of the activities identified in the Procurement Plan before any awarding of tenders and/or contracts, providing a summary of the evaluation process described in the corresponding Procurement Plan and noting any deviations from the Procurement Plan. The Recommendation to Award must be endorsed as a minimum by the relevant Head of Department, the relevant Executive team member, the Head of Finance and the CFO, in addition to the requirements of the Delegation of Authority policy.

● **Contract Execution**

All supplier related contracts (and associated contract extensions and variations) must be reviewed by the Procurement team prior to the signing of any contract, contract extension or contract variation. The Procurement team shall collaborate with MCET's Corporate Counsel to determine if further legal advice is required prior to executing any contract and/or contract variation, and as a minimum, legal review is required for any change or alteration to MCET's standard contract template that alters MCET's risk profile (such as changes to indemnities, insurances or limitation of liability clauses) and/or any change in the scope or specifications of the contract. The Head of Finance is authorised to execute any supplier contracts that do not commit MCET to any expenditure, and the Delegation of Authority policy



must be followed when executing any contract that does commit MCET to expenditure.

### ***Exemptions***

There are certain exemptions to the Procurement Policy that apply to MCET whereby undertaking market engagement activities is not warranted;

- Payments for utilities (inclusive of electricity, water, and gas) where a competitive procurement process is not practicable.
- Payments made to other Government departments and/or related to operation of a Private Public Partnership.
- The engagement of a vendor under a State Purchasing Contract (whereby the requirement for market engagement and multiple quotes is not required, having been previously done by the State Procurement Team).
- Engagement of Legal Services (which can only be enacted by MCET's General Counsel with endorsement by one of the CEO, CFO or CSGO).

## **6. Compliance**

- All MCET employees must carry out appropriate research to ensure that their procurement activities are compliant with state, federal and/or international law.
- All MCET Employees involved in any Procurement must comply with all principles and standards described within this policy.
- Procedures related to Procurement that operationalise the framework established by this policy form an important part of MCET's standards and must be followed.
- Failure to comply with this policy may lead to disciplinary action in accordance with MCET's Disciplinary Procedure and Policy other relevant policies and legislation.

## **7. Audit and Reporting**

MCET will report to the MCET Leadership Team through the Monthly Procurement Report on:

- Any identified breach of this policy;
- Opportunities to aggregate Procurements to achieve economies of scale;
- Any serious breach that appears to involve fraud, corruption or non-compliance with this policy.



## 8. References

### Internal

Delegation of Authority  
Conflicts of Interest Policy  
Risk Management Framework  
Risk Management Policy  
Disciplinary Procedure Policy  
Fraud and Corruption Control Policy  
Gifts, Benefits and Hospitality Policy  
Code of Conduct  
Public Interest Disclosure Policy  
Sustainability Policy  
Safety, Health & Wellbeing Policy  
Food Safety Policy

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### External

Victorian Government Supplier Code of Conduct  
Victorian Public Sector Code of Conduct  
Financial Management Act 1994  
Victorian Government Purchasing Board - Goods and Services Policies  
Victorian Government Social Procurement Framework

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