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Form:	Governance and Policy
Title:	<b>BLOOMHILL PROCUREMENT POLICY</b>
Description:	Operational Policy around Purchase of works, assets, goods and services

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## Purpose

Procurement is the purchase of works, assets, goods and services for Bloomhill Cancer Care Ltd according to a process that is open and transparent.

The aim of this internal control system for the supplying of goods and services is to ensure orders are made within Board approved delegated authority levels and handled by individuals having skills in evaluating what purchases are required from suppliers offering the best deals, to ensure purchases made do not exceed the budget provided and to ensure purchased goods and services conform with the quantity and price specified in the order.

## Objectives of this procurement policy

The key elements of Bloomhill's Procurement Policy are:

1. To ensure goods or services are purchased, in terms of the correct quality and specification and minimise risk of waste or excess.
2. To maintain the highest ethical standards in procurement matters and to minimise the risk of potential fraud.
  - To achieve best value for money
  - To ensure that the process is both compliant and efficient to operational needs
  - To ensure compliance with grant conditions (if applicable).
  - To act fairly towards all potential suppliers, with due consideration/recognition to in kind suppliers who are also Bloomhill sponsors/supporters
  - To promote equality, diversity and sustainability throughout procurement matters.

This Procurement Policy is also complimentary to Bloomhill's Delegation of Authority Policy effective 8<sup>th</sup> APRIL 2021 and reference to budget holder or delegated person is based on authority levels within that separate policy document.

This policy covers procurement activity of all Bloomhill locations including Op Shops.

## Key Principles

### To Maintain the Highest Ethical Standards

Bloomhill values its reputation for ethical behaviour and for financial probity and reliability and has a zero-tolerance policy towards bribery.

Directors, staff and volunteers must not accept any gift, reward or hospitality from any organisation or individual with whom you have contact in the course of your work as an inducement either for doing something or not doing something in their official capacity.

In the event of a conflict of interest, which occurs if an employee has an interest in an organisation providing goods or services to Bloomhill, that interest must be declared in writing with the Conflict of Interest Disclosure process at the earliest possible opportunity.

### To Achieve Value for Money

There are 2 main aspects that impact on value for money in terms of purchasing goods and/or services:

1. Product specification – quality and quantity.
2. Source of supply – right time, right place, right price.

If you are involved in the purchase of goods and/or services you must be clear on how to develop an output-based specification for a product.

This usually includes:

- Purpose of goods or services.
- Necessary characteristics (size, finish etc).
- Life span.
- Equality/accessibility issues.
- Reliability.
- Installation arrangements.
- Technical concurrence.
- Maintenance arrangements.

In order to ensure technical concurrence, only CEO and/or ICT authorised staff may place an order for hardware, software and associated products.

### **To Act Fairly Towards Suppliers**

Bloomhill will endeavour to ensure that small and medium sized enterprises (SMEs) have fair and equal access to contracts advertised by Bloomhill and standard processes to ensure consistency in order to provide a fair and open approach to tendering.

Bloomhill, will however, maintain and utilise a list of Preferred Suppliers for all elements of this Policy. The Preferred Supplier list will be reviewed and updated bi annually.

Usage of Preferred Suppliers must not be for the benefit of expediency and at the risk of compromising fair value and quality and it is incumbent on all Staff to respect this.

Bloomhill will use its best endeavours to recognise and support those suppliers of in-kind contributions (current or historical), financial supporters/donors with selective tendering options commensurate with the levels of that current or past support.

As such, suppliers falling into this category will constitute classification as a Preferred Supplier and recognition of that level of contribution will apply to a maximum level of \$ 50,000 (dependent on the individual level of past support given).

Bloomhill will, where possible:

- Facilitate an open and transparent process with relevant stakeholders.
- Ensure that the approach to individual contracts, including large contracts and framework agreements, is supported by a sound business case.
- Keep the tender process as simple as possible, but consistent with achieving value for money, to help minimise costs to suppliers.
- Offer meaningful feedback to suppliers on the evaluation of their proposal at the end of the tendering process.
- Publish guidance on our website.
- Support training for procurement staff to develop consistency in the use of best practice procurement.

Bloomhill aims to pay suppliers for goods and/or services within 30 days of receiving an invoice. To achieve this aim, you are required to ensure related paperwork is processed promptly.

### **To promote Equality, Diversity and Sustainability**

Bloomhill has a statutory duty to avoid discrimination of disability, race and gender in all of its functions. We will ensure that the purchase of goods, services and facilities is undertaken in line with our equality and diversity commitments.

We will not use suppliers who do not share our values on equality of opportunity and diversity. In all cases the general equality duty requires staff and its contractors to have due regard to the need to:

- Elimination of all forms of discrimination, harassment and victimisation and other conduct in accordance with Bloomhill Code of Conduct 2.3.8
- Bloomhill reserves the right to seek exemption on relevant activities to enhance diversity in the engagement of our suppliers

### Financial Scope/Limits:

For all purchase transactions, operational, service contracts and capital investment, the following thresholds are applicable. When calculating the contract value, for a one-off purchase, the total cost of the good(s) or service(s) will provide the contract value. If the purchase is a recurring spend, the value over 4 years will establish the total contract value. The values quoted here exclude GST.

Asking a supplier to split a quote into separate quotes to reduce the amount below the delegated limit is not allowed, and if suspected an investigation may be launched and the employee may be subject to the organisations' Disciplinary Action Policy 2.1.3.

#### (a) Purchasing Items:

**Up to \$ 5,000:** To facilitate efficient administration, the budget holder or delegated person may obtain from approved suppliers within delegated authority without quotes up to \$ 5,000 ceiling. If purchasing from a non- approved supplier no quote up to \$ 2,500 but minimum 2 quotes beyond \$ 2,500.

#### **\$ 5,001 and above:**

Amounts in excess of \$ 5,000 will require minimum 2 quotes (all cases) even if from approved supplier. Details of quotations must be entered on file and lodged with The Finance Lead for audit purposes.

#### (b) Capital Expenditure/Investment:

**Up to \$ 20,000:** To facilitate efficient administration, the budget holder or delegated person may obtain from approved suppliers within delegated authority without quotes up to \$ 20,000 ceiling. If purchasing from a non- approved supplier no quote up to \$ 5,000 but minimum 2 quotes beyond \$ 5,000.

#### **\$ 20,001 and above:**

Amounts in excess of \$ 20,000 will require minimum 2 quotes (all cases) even if from approved supplier. Details of quotations must be entered on file and lodged with the Finance Lead for audit purposes.

#### (c) Commercial Contracts for Goods and Services (inclusive of subcontractors or property contracts):

(i) **Renewal:** after 3 years of a supplier's service, or the end of scheduled lease terms, the market needs to be tested for all contracts with at least two quotes for 'like' service offerings

- Value up to \$ 5,000 annually:** To facilitate efficient administration, the budget holder or delegated person may obtain from approved suppliers within delegated authority without quotes up to \$ 5,000 annual ceiling.
- Value \$ 5,001 annually and above:** Amounts in excess of \$ 5,000 annually will require minimum 2 quotes (all cases) even if from approved supplier. Details of quotations must be entered on file and lodged with The Finance Lead for audit purposes.

(ii) **New:** establishing new commercial contracts or suppliers needs to be tested by at least three quotes for like services, for any cost of more than \$ 2,500 annually.

### Governance and Audit

Bloomhill is responsible for establishing arrangements for ensuring the proper conduct of our affairs, including conformance to standards of good governance and accountability with regard to procurement. This involves the Risk and Governance Sub Committee monitoring compliance with this Policy and ensuring through CEO internal control systems.

<sup>1</sup> This does not apply to health contractors such as allied health practitioners or therapists.