Procurement — Schools

Policy last updated

12 July 2022

Scope

- Schools
- School councils

Date: January 2020

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Policy

> The Schools procurement procedure (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools Procurement Procedure Document.pdf> (staff login required) and related templates <https://eduvic.sharepoint.com/:u:/r/sites/SchoolsSecure/SitePages/Schools-Procurement-Tools-and-Templates.aspx> (staff login required) have been updated to reflect the new Child Safe Standards that came into effect on 1 July 2022. The revised templates must be used for new procurements to meet child safety requirements.

Policy

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

Summary

- 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 <http://www2.education.vic.gov.au/pal/procuring-low-value-construction/policy> . 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:
    - Buses – Owned, Hired or Chartered by a School <http://www2.education.vic.gov.au/pal/buses-owned-hired-chartered-by-school/policy>
    - Vehicles (Excluding Buses) – Owned or Hired by a School <http://www2.education.vic.gov.au/pal/vehicles/policy>
    - Travel <http://www2.education.vic.gov.au/pal/travel/policy>
    - Mobile phones, laptops and other electronic devices — refer to: EduSTAR — ICT Services, Software and Advice for Schools <http://www2.education.vic.gov.au/pal/edustar-ict-services-software-and-advice-schools/policy>
- The Schools Procurement Branch is available to support schools with any procurement queries or processes.

Details

The people of Victoria expect the public sector, which includes all government schools, to act with integrity, accountability, ethics and transparency in performing all aspects of its various roles. This extends to procurement undertaken by schools. This policy aligns with the principles of the Victorian Government Purchasing Board (VGPB) where applicable.

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 (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools%20Procurement%20Procedure%20Document.pdf> (staff login required) which must be read in conjunction with the policy.

The policy must also be read in conjunction with the Finance Manual – Financial Management for Schools <http://www2.education.vic.gov.au/pal/finance-manual/policy> which sets out the purchase-to-pay requirements of schools in relation to the standard procurement process.

Depending on the type of goods and/or services being procured and the commercial arrangements in place, the level of detail and time required for each process step will vary. In some cases, such as when an established contract is in place between the school and a supplier, the school may make repeated purchases from this contract and therefore only the purchase-to-pay processes will need to be undertaken. In addition, contract and performance management will still need to be undertaken.

1. Procurement principles

All school procurement activity must be carried out in accordance with the key principles of:

- value for money
- probity
- accountability
- 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, schools must:

- act with 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
- 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 <http://www2.education.vic.gov.au/pal/conflict-interest/overview> and Conflict of interest framework (PDF) <https://content.sdp.education.vic.gov.au/media/1554> .

1.3 Accountability

All schools procurement activity must 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 <http://www2.education.vic.gov.au/pal/finance-manual/policy> for more information about approvals.

1.4 Capability

The school council and the principal as executive officer of the school council must delegate procurement activities to staff with appropriate capability, who must follow this policy and the Schools procurement procedures (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools Procurement Procedure Document.pdf> (staff login required). 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.

In schools 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.

Schools must refer to the procurement thresholds listed in the Schools procurement procedure (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools%20Procurement%20Procedure%20Document.pdf> (staff login required) 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.

Schools must contact the Schools Procurement Branch (SPB) when they are undertaking procurement activities that require a public tender and when an exemption is required. Schools are also encouraged to 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 must be retained by the school to provide evidence that the procurement process was conducted in line with this policy.

Staff must also comply with their record keeping obligations under the Public Records Act 1973 (Vic) when undertaking procurement activities. Refer to the Records Management — School Records Policy <http://www2.education.vic.gov.au/pal/records-management/policy> for an explanation of the types of documents that need to be kept and the length of time for retention.

3. Department-managed categories

The SPB's role is to provide guidance and support to schools when undertaking procurement activities.

The SPB is responsible for conducting source-to-contract and contract management for certain categories of spend, known as 'department-managed categories'. A current list of department-managed categories has been developed in consultation with schools, can be found on the Resources tab <http://www2.education.vic.gov.au/pal/procurement-in-schools/resources> of this page.

All procurement activities outside of department-managed categories will be the responsibility of schools.

The table below summarises the accountabilities of the SPB and schools when procuring goods and/or services from each type of category. While consultation between schools and the SPB may be required at each step, the SPB is available to assist schools throughout each step of the procurement process.

Procurement process phase	**Procurement process step**	**Responsible:** **Department-managed categories**	**Responsible:** **All other categories**
Source-to-contract	1. Understanding needs	Schools Procurement Branch	Schools
Source-to-contract	2. Performing market analysis	Schools Procurement Branch and schools	Schools
Source-to-contract	3. Market engagement	Schools Procurement Branch	Schools
Source-to-contract	4. Supplier section	Schools Procurement Branch	Schools
Purchase-to-pay	5. Purchase-to-Pay process	Schools	Schools
Contract management	6. Contract and performance management	Schools Procurement Branch	Schools

4. Rules of use

Rules of use are documents established to provide guidance for school users in their interaction with specific commercial arrangements with suppliers. When the department enters into a commercial arrangement with a specific supplier, it will publish rules of use for all schools who want to use that supplier. These will be available on the Resources tab <http://www2.education.vic.gov.au/pal/procurement-in-schools/resources> of this page.

Exemption processes are detailed in the rules of use documents. Unless otherwise specified, a school is required to seek an exemption from the SPB if it wishes to purchase outside the contractual arrangements established for the department-managed category. Criteria for exemption may include:

1. there is a material difference between the requirements of the school and the goods and/or services that the pre-selected suppliers can provide or
2. there is a reasonable expectation that the school should purchase from a non-pre-selected supplier in favour of local suppliers

Where the school believes there to be reason for an exemption, the school must identify the appropriate exemption criteria and provide a detailed rationale to the SPB. The SPB will approve or deny the exemption request. If approval is granted, the school must undertake the procurement process in accordance with this policy and the Schools procurement procedures (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools Procurement Procedure Document.pdf> (staff login required). If the exemption is denied, the school must procure from one of the pre-selected suppliers from the relevant department-managed category. The escalation process for schools is detailed within the procedures.

5. Procurement tools and templates

A suite of tools and templates is available on the Resources tab <http://www2.education.vic.gov.au/pal/procurement-in-schools/resources> of this page to support schools to comply with this policy and undertake procurement activities efficiently. The Schools procurement procedures (PDF) <https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools Procurement Procedure Document.pdf> (staff login required) specify the tools and templates that are mandatory for schools to use for certain procurement activities. In all other cases, schools can apply their discretion when determining which tools and templates to use for their procurement activities.

6. Contracting

To reduce legal and commercial risk, school councils should endeavour, wherever possible, to formalise written contracts based on the department's

contract templates with suppliers (refer to Resources tab <http://www2.education.vic.gov.au/pal/procurement-in-schools/resources> for contract templates). That is, school councils should endeavour to avoid entering into supplier standard form contracts unless there is no other choice.

Some major suppliers, or supplier types (i.e. of certain services), may refuse to use the department contract templates. In these circumstances, before deciding whether or not enter such an agreement, the school council, supported by the principal and business manager, should carefully undertake an assessment of the risks of entering in supplier's contract.

Related policies

- Buses – Owned, Hired or Chartered by a School <http://www2.education.vic.gov.au/pal/buses-owned-hired-chartered-by-school/policy>
- Procuring Low-Value Construction Works and Services <http://www2.education.vic.gov.au/pal/procuring-low-value-construction/policy>
- Travel <http://www2.education.vic.gov.au/pal/travel/policy>
- Conflict of Interest <http://www2.education.vic.gov.au/pal/conflict-interest/overview>
- Records Management – School Records <http://www2.education.vic.gov.au/node/187>
- Vehicles (Excluding buses) – Owned or Hired by a School <http://www2.education.vic.gov.au/pal/vehicles/policy>
- EduSTAR – ICT Services, Software and Advice for Schools <http://www2.education.vic.gov.au/pal/edustar-ict-services-software-and-advice-schools/policy>

Relevant legislation

Public Administration Act 2004 (Vic) <https://www.legislation.vic.gov.au/in-force/acts/public-administration-act-2004>

Guidance

Guidance

Guidance

There is no further guidance for this topic.

For more information, including the Schools Procurement Procedure, refer to Resources tab.

Resources

Resources

Schools procurement – procedures

Schools procurement procedures (PDF)
<https://edugate.eduweb.vic.gov.au/edrms/PD/SPP/Schools%20Procurement%20Procedure%20Document.pdf> (staff login required)

Tools and templates

- The department has a number of tools and templates available for schools for each stage of the procurement process: Schools procurement tools and templates
  <https://eduvic.sharepoint.com/:u:/r/sites/SchoolsSecure/SitePages/Schools-Procurement-Tools-and-Templates.aspx> (staff login required)
- The department has a number of template contracts for various purposes available on the Legal Division's intranet site Licence and agreement templates
  <https://edugate.eduweb.vic.gov.au/sites/intranet/Services/Legal-Services/Pages/Licence%20and%20Agreement%20Templates.aspx> (staff login required):
  - School Council Purchase Order — Sample Template
  - School Council Purchase Order Terms and Conditions — Goods and Services up to $2,500
  - School Council Short Form Goods Contract
  - School Council Short Form Services Contract
  - School Council Agreement for the Provision of Services
  - School Council Agreement for the Provision of Teaching Staff Services
  - School Council Agreement for the Supply of Goods
  - School Council Agreement for the purchase of school uniforms for sale by school
  - School Council Appointment of School Uniform Supplier — Non school premises

Department-managed procurement categories

The department has a number of department-managed categories (agreements with panels of suppliers) for procurement including in the following areas:

- Information technology

- Stationery
- School buildings
- School cleaning
- Travel
- Utility services State Purchase Contracts
- Multi-functional Device (MFDs)
- Panel of Waste Management
- Citrix Systems – State Purchase Contract
- Fuel and associated products – State Purchase Contract
- Casual Relief Teachers Panel
- Sports and physical education equipment
- Print management
- Mental Health Fund Menu

Refer to Department-managed categories <https://eduvic.sharepoint.com/:u:/r/sites/SchoolsSecure/SitePages/Department-Managed-Categories.aspx> (staff login required) for full information about the above categories.

Reviewed 14 June 2020