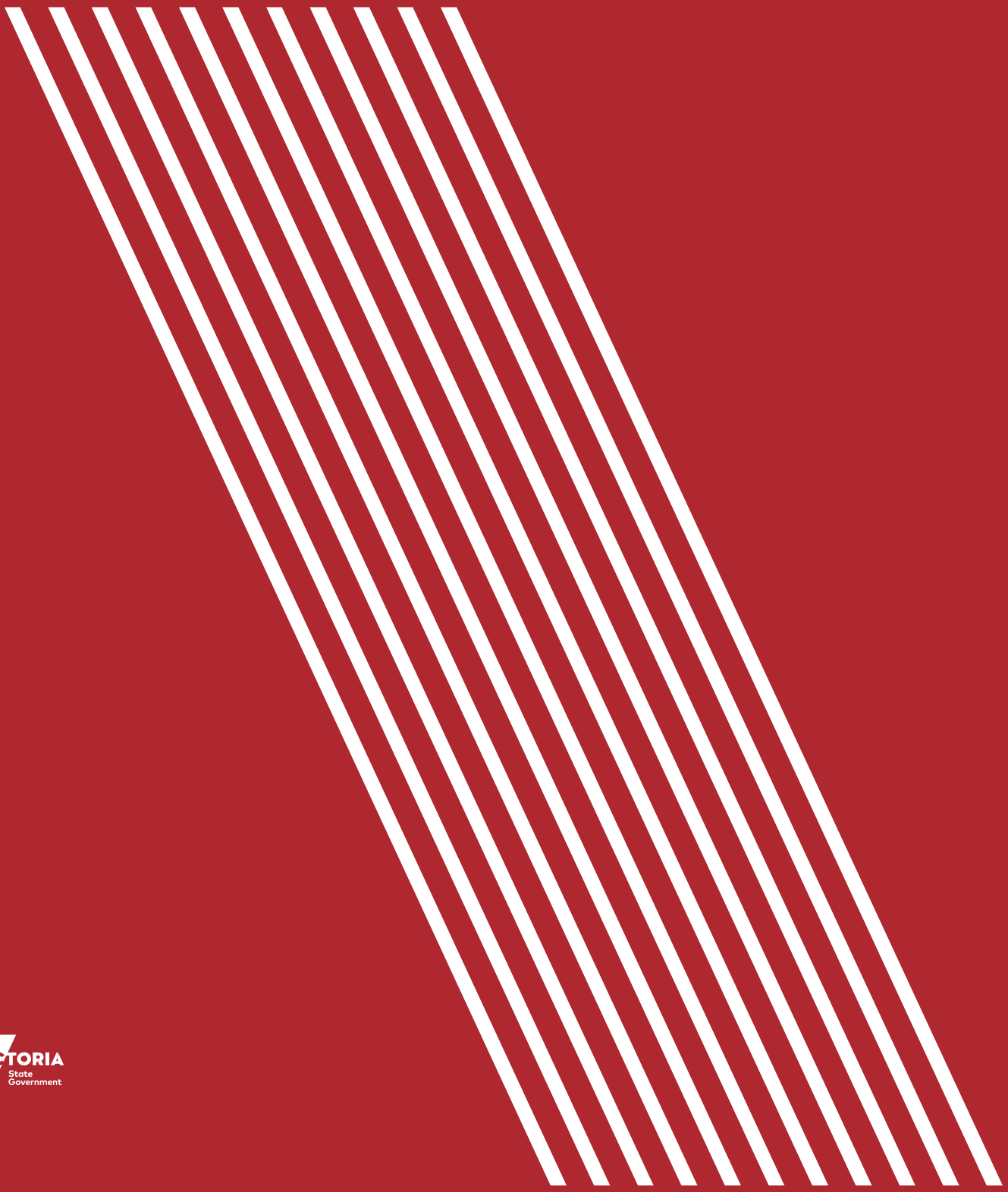
SCHOOLS PROCUREMENT

PROCEDURE DOCUMENT

31 MARCH 2017



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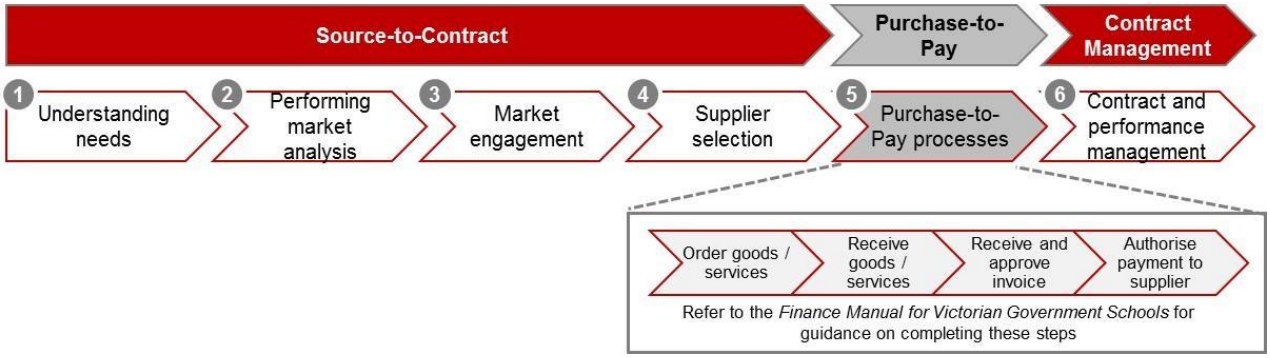
SECTION 1: INTRODUCTION

Purpose of this document

The purpose of this *Schools Procurement Procedure Document* is to provide additional guidance to support schools to undertake their procurement activities in line with the requirements of the *Schools Procurement Policy*, and in particular, the procurement principles of Value for Money, Probity, Accountability and Capability.

Procurement is the term used to describe the collective group of activities undertaken to obtain goods and / or services from third parties. The end to end procurement cycle extends from identifying the need for the goods and / or services through to contract management, as illustrated in the Standard Procurement Process in Figure 1 below.

Figure 1: Standard Procurement Process



- *Source-to-Contract* refers to the process of choosing and engaging a supplier, and involves determining procurement requirements, approaching the market, selecting a supplier and entering into a contract (when required).
- *Purchase-to-Pay* refers to the process from ordering goods / services from a supplier through to payment for the goods / services.
- *Contract Management* refers to the process of actively managing the contract across its entire lifecycle, from creation to expiry.

This *Schools Procurement Procedure Document* provides practical guidance, step-by step instructions and supporting examples to illustrate how schools should complete their required **Source-to-Contract** and **Contract Management** activities, as defined in the above Figure 1.

Detailed process steps for all **Purchase-to-Pay** activities are contained in the *Finance Manual for Victorian Government Schools*. Therefore, this Procedure Document should be read in conjunction with both the *Schools Procurement Policy* and the *Finance Manual for Victorian Government Schools*.

Structure of this document

The structure of this document is as follows:

Section 1: Introduction

Provides an overview of the purpose of the document and how it is structured. It also contains the procurement thresholds, which determine the minimum market approach and templates to use during the procurement process.

Section 2: Summary Flowchart

Readers should use the flowchart to identify the processes that they must undertake and the templates that must be used in the procurement process, as determined by the total value of the procurement.

Section 3: Context

Provides an overview of key information relating to school procurement, including the responsibilities for the steps within the procurement process, the role of the Schools Procurement Branch (SPB), training requirements, contact details for the SPB, and a summary of the templates available to schools.

Section 4: Step-by-Step Guidelines

Provides detailed guidelines for undertaking each step of the procurement process. The guidelines are supported by:

a) Reference to the specific templates available to be used for each step of the procurement process, which are highlighted in green. Some templates are required to be completed, depending on the total value of the procurement. In addition, optional templates have been provided for schools to use if desired. Refer to the tables on pages 11 and 12 for details about the available templates.

e.g. Short Form
Sourcing
Template

b) An illustrated example of how to complete each step of the procurement process, identified by the grey boxes throughout Section 4.

c) An explanation of the different steps that schools will need to take when procuring goods / services from Department-managed spend categories, highlighted in red boxes throughout Section 4 (refer to Section 3 for more information about Department-managed spend categories).

School staff responsible for or involved in procurement processes should make themselves familiar with the guidelines within this procedure document.

Section 5: Worked Example #1 – Required Templates

Provides a worked example of the Short Form Sourcing template Abridged, which must be completed for all procurement activities > $2,500 and ≤ $25,000, where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into. This is linked to the scenario introduced in Section 4.

Section 6: Worked Example #2 – Required Templates

Introduces a second scenario in order to provide worked examples of the range of templates which must be completed for procurement activities with a total value exceeding $150,000.

Procurement Thresholds

The procurement thresholds, as listed below, are consistent with the *Finance Manual for Victorian Government Schools*. These determine the:

a) Minimum requirement for market engagement (i.e. the minimum number and type of quotes, tender etc.); and
b) Minimum sourcing documentation templates to be used. These templates support schools to undertake correct procurement processes, while promoting consistency across the school network.

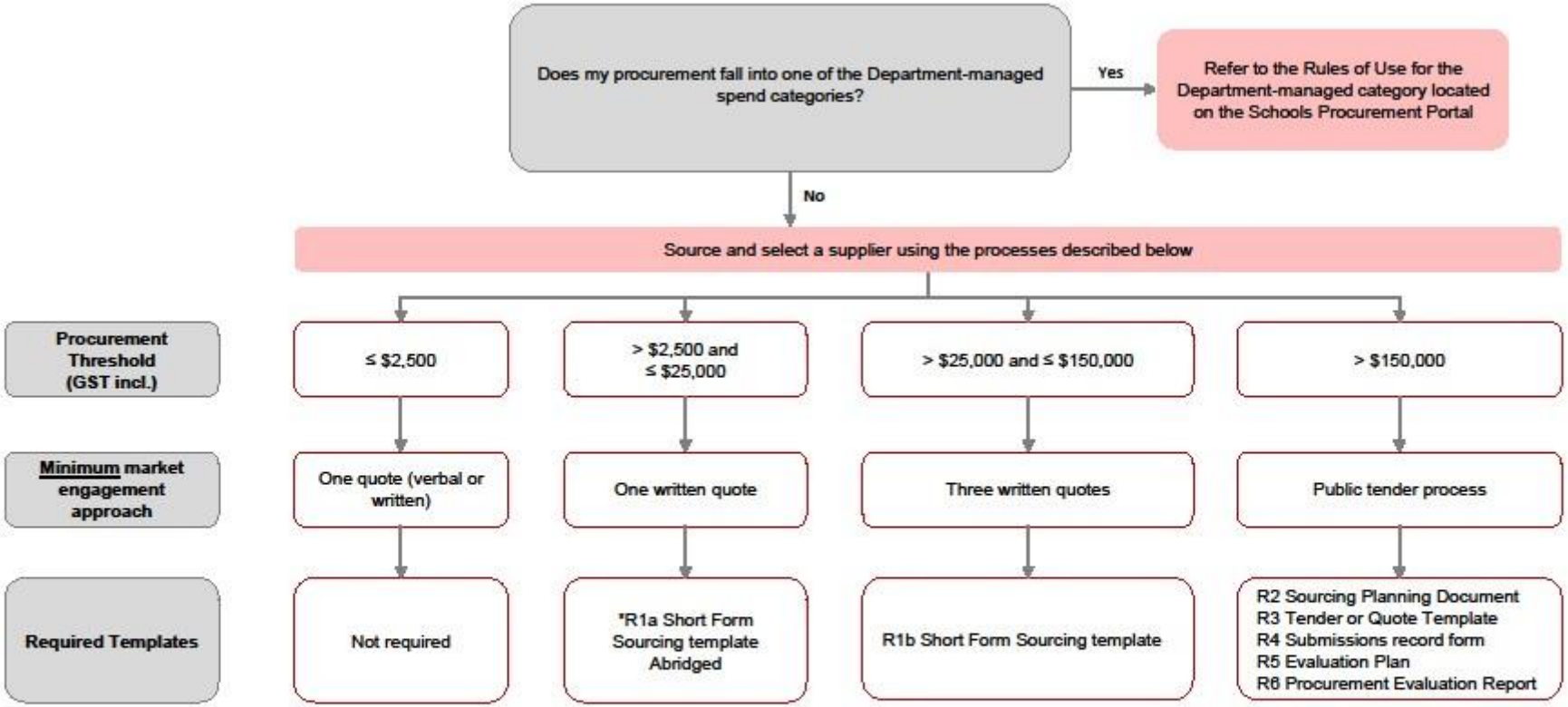
The procurement thresholds are based on the 'total value' of the procurement activity. When estimating total value, the school must consider the value of the entire contract. For example, if the school is looking to procure services for a period of three years and each year is estimated to cost $80,000, then the total value of the procurement activity is $240,000 and a tender process is required.

Procurement Thresholds	Minimum Market Approach	Minimum Sourcing Documentation Requirements
≤ $2,500	One quote (either verbal or written)	As per Purchasing processes in the Finance Manual for Victorian Government Schools
> $2,500 and ≤ $25,000	One written quote	R1a Short Form Sourcing template Abridged*
> $25,000 and ≤ $150,000	Three written quotes to be sought	R1b Short Form Sourcing template
> $150,000	Tender process	R2 Sourcing Planning Document R3 Tender or Quote Template R4 Submissions record form R5 Evaluation Plan R6 Procurement Evaluation Report

Amounts are GST inclusive and prior to any adjustments/discounts

*This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.

SECTION 2: SUMMARY FLOWCHART



Contact the Schools Procurement Branch when required for any queries relating to any procurement activities.

Schools must retain documentation (e.g. completed templates) for all procurement activities.

**This document is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

SECTION 3: CONTEXT

Schools Procurement Branch

The Schools Procurement Branch (SPB) is responsible for the Source-to-Contract and Contract Management activities for Department-managed spend categories. The Schools Procurement Portal provides details of the spend categories that are managed by the SPB.

The SPB also performs a number of other activities, including:

- It acts as the primary point of contact for schools with regards to any procurement-related questions, concerns or feedback;
- It will analyse school spend data on an ongoing basis to assess compliance with policy, identify risks and identify potential opportunities for economic savings;
- It will manage the Schools Procurement Portal, which provides a single repository for all school procurement resources and information;
- It will maintain the procurement templates and act on feedback to develop additional resources to help schools with their procurement needs; and
- It will coordinate procurement training for school staff.

The SPB is part of the Procurement Division, Infrastructure and Finance Services Group. The *Schools Procurement Policy* and the *Schools Procurement Procedure Document* are managed by the SPB.

The SPB can be contacted via email: schools.procurement@edumail.vic.gov.au

Responsibilities for the Procurement Process

Pursuant to Part 2.3 of the Education and Training Reform Act 2006 (Vic), School Councils are responsible for arranging for the supply of goods, services, facilities, materials, equipment and other things or matters that are required for the conduct of a school. For the purpose of meeting this objective, School Councils are the legal entity through which schools enter into contracts, agreements or other arrangements.

The incurring of expenditure by schools is strictly controlled and subject to approval by the School Council or any officer that has been authorized by the School Council to carry out this function (for example, a delegated officer). The names of persons authorised are to be recorded in the School Council's minutes.

References to school procurement throughout this document refer to activities that are undertaken with the authorisation and approval of the School Council.

When schools procure goods or services from a pre-approved supplier from one of the Departmentmanaged spend categories, only Step 5 (Purchase-to-Pay processes) will need to be carried out by schools (subject to authority from School Council), as the SPB will have already negotiated and entered into an agreement with pre-approved suppliers. Refer to the Rules of Use for each Department-managed category for more information. For all other categories, schools are responsible for undertaking all procurement activities (i.e. Steps 1 to 4, and 6).

Figure 2 below summarises the responsibilities of schools and the SPB when procuring goods / services from each type of category.

Figure 2: Procurement responsibilities for category of spend

		Department-managed categories		All other categories	
Procurement Process Step		Schools	SPB	Schools	SPB
Source-to-Contract	1 Understanding needs	✓	✓	✓	
	2 Performing market analysis		✓	✓	
	3 Market engagement		✓	✓	
	4 Supplier selection		✓	✓	
Purchase-to-Pay	5 Purchase-to-Pay processes	✓		✓	
Contract Management	6 Contract and performance management		✓	✓	

Procurement Knowledge & Training

Capability attestation

As detailed in the *Schools Procurement Policy*, the Principal must be able to verify that school staff who carry out procurement activities are capable of undertaking these duties in accordance with the Policy. This will be provided in the form of an annual Procurement Capability Attestation, completed by the Principal and included in the annual Financial Accounts attestation.

Availability of procurement training

All staff involved in procurement activities should complete procurement training courses. Training will be made available to all Business Managers and Principals. Schools can access procurement training courses and additional procurement resources via the Schools Procurement Portal. The SPB can be contacted for further information regarding procurement training opportunities.

Templates

Required Templates

Schools must complete the templates marked as required in the table below, which are based on the total value of the procurement and consistent with the *Finance Manual for Victorian Government Schools*. These templates support schools to undertake correct procurement processes, while promoting consistency across the school network.

For all procurement activities, schools are strongly encouraged to document the processes undertaken and decisions made as these can be used as supporting evidence in an audit.

Refer to Sections 5 and 6 for worked examples of the required templates. Blank copies of the templates are available on the Schools Procurement Portal, and can also be accessed by clicking the links in the table below. Always refer to the Schools Procurement Portal for the current templates.

Stage of Procurement Process		Doc Ref	Document	Purpose	Required Templates				Links
					≤ $2,500	> $2,500 and ≤ $25,000	> $25,000 and ≤ $150,000	> $150,000	
1-4	**Source-toContract**	**R1a**	Short Form Sourcing Template Abridged	A simple template to use for lower value procurements to document the key requirements of the procurement process		✓*			R1a
1-4	**Source-toContract**	**R1b**	Short Form Sourcing Template	A simple template to use to document the key requirements of the procurement process			✓		R1b
1	**Understanding needs**	**R2**	Sourcing Planning Document	A summary of the goods / services to be procured, the reasons for the procurement and details about the market and potential suppliers				✓	R2
3	**Market engagement**	**R3**	Tender or Quote Template	Template for issuing a request for tender/quote to prospective suppliers. This includes standard terms and conditions that will apply to the contract				✓	R3
		R4	Submissions record form	Templates to fill out key submission details for each supplier that has been contacted and / or responded to the request for tender/quote				✓	R4
4	**Supplier selection**	**R5**	Evaluation Plan (Detailed)	A planning document outlining key evaluation processes including establishing an Evaluation Panel, developing evaluation criteria, and setting a timeline for the evaluation process				✓	R5

		R6	Procurement Evaluation Report	Summary of procurement process, suppliers approached, and their performance against evaluation criteria to document how the final supplier selection decision was made				✓	R6

**This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

Contract Templates

The Department's Legal Division has developed a number of standard contract templates, which should be used when entering into contracts with suppliers. All contract templates can be accessed on the Legal Division intranet site: Link1 and Link2

Additional Templates

There are also a number of additional optional templates available to support schools throughout the procurement process. Schools can elect to use any additional templates for any procurement activities. Copies of the templates are available on the Schools Procurement Portal.

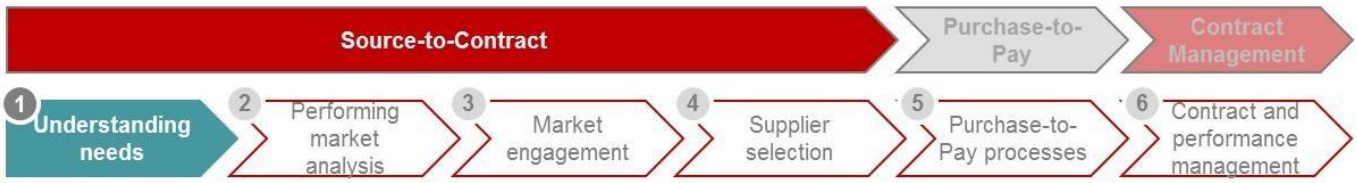
Stage of Procurement Process		Doc Ref	Document	Purpose	Links
1	**Understanding needs**	**A1**	Procurement Responsibility Matrix	Matrix to document key personnel/roles responsible for each activity within the procurement process	A1
2	**Performing market analysis**	**A2**	Procurement risk assessment tool	Template to identify, assess and document the risks associated with the procurement activity	A2
3	**Market engagement**	**A3**	Submission letter	Sample letter to send to suppliers to acknowledge receipt of response	A3
4	**Supplier selection**	**A4**	Evaluation Plan (Short Form)	Simplified evaluation planning document to record the evaluation criteria that will be used to assess supplier responses	A4
		A5	Evaluation Matrix	Matrix of quantitative criteria and weightings to be used to assess and compare responses received from suppliers	A5
		A6	Bid clarification letter template	Template of a letter to send suppliers to clarify any information included in their response to the request for tender/quote	A6
		A7	Best and Final Offer request letter	Template of a letter to send suppliers to request their best and final offer	A7

		A8	Reference check	Sample questions to ask suppliers' references to verify supplier capability and past performance, and a template to record references' responses	A8
		A9	Notification of evaluation outcome - successful	Template of letter to notify successful respondent of the outcome of the evaluation process	A9
		A10	Notification of evaluation outcome - unsuccessful	Template of letter to notify unsuccessful respondents of the outcome of the evaluation process	A10
6	**Contract and performance management**	**A11**	Variation template	Template of a letter to send to suppliers to vary the scope, timeframes and / or price of an existing contract	A11

SECTION 4: STEP-BY-STEP GUIDELINES

The guidelines in Section 4 will support schools to correctly undertake procurement activities and complete all required templates, which depend on the value of the procurement. The guidelines also provide reference to additional templates that are available for schools to use as required.

STEP 1 – Understanding needs



REQUIRED TEMPLATES

Doc Ref	Document	Purpose	Required Templates				Links
			≤ $2,500	> $2,500 and ≤ $25,000	> $25,000 and ≤ $150,000	> $150,000	
R1a	Short Form Sourcing Template Abridged	A simple template to use for lower value procurements to document the key requirements of the procurement process		✓*			R1a
R1b	Short Form Sourcing Template	A simple template to use to document the key requirements of the procurement process			✓		R1b
R2	Sourcing Planning Document	A summary of the goods / services to be procured, the reasons for the procurement and details about the market and potential suppliers				✓	R2

**This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

ADDITIONAL TEMPLATES

Doc Ref	Document	Purpose	Links
A1	Procurement Responsibility Matrix	A matrix to document key personnel/roles responsible for each activity within the procurement process	A1

GUIDELINES

1.1 Determine what to buy - methods for identifying goods / services required

The first task is to identify the goods / services required, which can be documented in the Sourcing Planning Document or Short Form Sourcing Templates. This activity may be performed by any person working for the school, including the Principal and Business Manager or teaching staff and education

support staff, at the discretion of the School Council and/or the Principal. In some cases, the SPB may also be involved in identifying the need for goods / services.

There are a number of ways in which the school may identify the required goods / services. This could be done on an ad hoc basis as the need arises, or via one or more of the following:

- Identifying goods / services that are regularly required (for example purchased each week, month or year) and documenting this in the annual budget and/or a Procurement Plan;
- Identifying goods / services that need to be purchased for specific school programs;
- An unsolicited approach from suppliers offering goods / services that may benefit the school; and
- Analysis performed by the school or the SPB identifies potential opportunities to achieve better value for money.

When determining needs, schools must consider all elements relating to the procurement of goods and services, which may not be limited to simply the item that is being purchased. Schools need to identify the specifications and functionality of goods required with as much detail as possible, which may include the need for installation, warranties, maintenance, energy efficiency and compliance with relevant standards or legislation. For services, schools should consider factors such as whether multiple pieces of work with the same supplier can be combined and whether suppliers could be engaged on an ongoing basis, rather than for single jobs.

EXAMPLE	A high school needs to have all of its electrical equipment 'tested and tagged' at some stage throughout the year. The school's policy is to spread the testing and tagging across the year – for example, library computers are usually done in Term 1, food technology classrooms in Term 2 and so on. Based on past spend, the school spends about $8,000 on testing and tagging during the year. Rather than approaching the market every term, this year the school wants to engage one provider to perform all the testing and tagging throughout the year. The school refers to the Summary Flowchart in Section 2 of this document and sees that, based on the estimated total value of $8,000 where multiple purchases are expected to be made from the same supplier, they are only required to complete the Short Form Sourcing Template Abridged.

1.2 Determine who is responsible for sourcing activities

Once the requirement for goods / services is identified, the school must identify whether the procurement will fall into one of the Department-managed spend categories. Schools can refer to the Schools Procurement Portal to determine whether the spend category is managed by the Department. This is essential because some Source-to-Contract steps will not need to be undertaken by the school if the goods / services are Department-managed.

Where the category of spend is not a Department-managed category, the school will be responsible for carrying out all activities to select and make purchases from a supplier.

Where the school is unsure whether the goods / services fall into a Department-managed category, contact the Department's SPB for advice.

EXAMPLE	The school consults the Schools Procurement Portal, and sees that the purchase of electrical services or equipment testing would not fall under one of the Department-managed categories. Therefore, the school is responsible for undertaking the Source-to-Contract activities to find and engage one or more suppliers to provide the testing and tagging services.

Sourcing processes for Department-managed categories

Where the category of spend is identified as Department-managed, the sourcing process has already been undertaken by the Department and suppliers have been contracted to supply goods / services to schools. In this case the school can proceed straight to Step 4: Supplier Selection.

Refer to the Rules of Use for each Department-manage category for more information.

1.3 Determine who is involved in the procurement activity

Where internal approvals for spend are required, the school should make sure that the appropriate people are involved in the procurement process. Schools should refer to the *Schools Procurement Policy* and *Finance Manual for Victorian Government Schools* to understand any requirements and restrictions regarding the roles to be involved in procurement approvals.

In most instances the key people involved in the procurement process will be the School Principal and Business Manager and in some situations other school staff may also be involved. The School Council is also required to approve expenditure, via annual budgeting processes and/or out-of-budget requests

The optional Procurement Responsibility Matrix tool contains further information regarding recommended roles and responsibilities. This template can also be used to document the names and roles of staff involved in the procurement process which can help to ensure that the right capability is being used for the procurement process. It also gives the School Council the ability to proactively manage any conflicts of interest or probity issues that may arise.

If a tender process is required, two committees must be established:

- A tender opening committee, responsible for opening and recording the details of all tender responses received. This committee usually consists of the Principal and a member of the School Council or a senior member of staff. The School Council is responsible for determining the members of the tender opening committee.
- A tender evaluation committee, responsible for evaluating the tender responses received and recommending the supplier to be engaged. This usually consists of the Principal, a representative of the School Council, and other persons if necessary.

1.4 Determine whether additional support is required

When the school determines that they require additional assistance for the procurement activity, they should contact the Schools Procurement Branch - contact details are located on the Schools Procurement Portal. Where schools have previously contacted other Divisions or Areas of the Department for assistance and procurement-related advice, they should now contact the SPB in the first instance.

EXAMPLE	For this procurement, the key staff involved have completed all procurement training and the Business Manager is confident that they can correctly and efficiently procure the testing and tagging services. The school decides they do not need to contact the SPB at this stage.

STEP 2 – Performing market analysis

REQUIRED TEMPLATES

Doc Ref	Document	Purpose	Required Templates				Links
			≤ $2,500	> $2,500 and ≤ $25,000	> $25,000 and ≤ $150,000	> $150,000	
R1a	Short Form Sourcing Template Abridged	A simple template to use for lower value procurements to document the key requirements of the procurement process		✓*			R1a
R1b	Short Form Sourcing Template	A simple template to use to document the key requirements of the procurement process			✓		R1b
R2	Sourcing Planning Document	A summary of the goods / services to be procured, the reasons for the procurement and details about the market and potential suppliers				✓	R2

**This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

ADDITIONAL TEMPLATES

Doc Ref	Document	Purpose	Links
A2	Procurement risk assessment tool	A template to identify, assess and document the risks associated with the procurement activity	A2

GUIDELINES

Where the category of spend is to be managed by the school, the school will be responsible for determining the way in which the goods / services are sourced while complying with the procurement thresholds in Section 1 of this *Schools Procurement Procedure Document*.

Prior to approaching the market, the school should gather information in order to become fully informed about the options in the market. This includes familiarising themselves with potential suppliers and the specifications of the goods / services available, which can be achieved by analysing spend, the market and potential suppliers.

2.1 Analyse spend

Where possible schools should make use of historical spend data, which will provide an indication of the goods and services previously purchased, prices paid and suppliers used. This can be linked to the school budgeting processes, where future budgets are often based on historical spend. Historical spend

information can help inform sourcing strategies and provide pricing benchmarks for items that have previously been purchased. It can also identify opportunities to consolidate spend amongst suppliers as this can help to achieve volume discounts and may lead to an ongoing contract with a supplier, rather than making a series of purchases.

Spend analysis may include information such as:

- Historical spend by category / sub-category;
- Historical spend by supplier;
- Spend patterns of the school, for example typical purchases made in each school term; and
- Comparison of spend against other schools in the region (if available);

2.2 Conduct market and supplier analysis

Schools need to understand the variety of goods or services that are available to them in the market, and the potential suppliers of these goods and services. The aim of analysing suppliers and the market is to:

- Identify who the potential suppliers are that are able to provide the required goods or services;
- Identify the potential options for goods and services, including consideration of newer innovations that the school might not have purchased before; and
- Identify market trends and forecast what market changes may occur in the near future, in order to "future proof" the purchases made by the school.

Market analysis may involve the following:

- Understanding the options available to schools in the current market, particularly in fast-moving industries like IT;
- Understanding the precise specifications that best suit the school's needs;
- Whether the potential market options can be easily integrated into the current school environment (for example, when procuring software); and
- Identifying suitable performance management key performance indicators to use to assess supplier performance.

Supplier analysis may involve consideration of the following:

- Identifying the organisations that could potentially provide the goods / services required, including suppliers that have not previously been used by the school;
- Understanding the attributes of potential suppliers that position them to best deliver the goods / services (e.g. specialisation, experience, location, familiarity with the workings of the school);
- Understanding the reputation of potential suppliers, their compliance with legislation and any potential for risks associated with unfavourable media coverage (for example, the supplier's recruitment policy and adherence with employment laws);
- Identifying probity or conflict of interest (actual and/or perceived) risks associated with potential suppliers; and
- Considering local suppliers, the use of which is encouraged where value for money can be achieved.

Supplier and market analysis can be conducted via the following steps:

- Research via the internet;
- Make use of category data or information distributed by the SPB;
- Seek ad hoc information from the SPB regarding particular goods / services and suppliers;
- Consult with other schools about the goods and services they have procured and the suppliers they have used; and
- Consider the school's previous experience with the goods / services or supplier.

EXAMPLE	Given that the supplier will be engaged for at least a year, the school decides to undertake some supplier and market analysis. The Business Manager contacts other local Business Managers to see whether other schools have recently engaged new testing and tagging providers, and collects feedback (good or bad) on the suppliers that schools have recently used. The Business Manager also does some online research to understand the qualifications that providers must hold in order to offer testing and tagging services. The school now has a better 'feel' for what they should expect to hear from suppliers when they approach the market.

2.3 Determine go-to-market approach

The procurement thresholds in Section 1 specify the minimum acceptable approach to engage the market, based on the total financial value of the procurement. As these are the minimum requirements, schools can elect to undertake more robust procurement practices if desired.

EXAMPLE	The school refers to the Procurement Thresholds in Section 1 to check the minimum market approach that must be taken. As the school expects to spend more than $2,500 but less than $25,000 on the testing and tagging across the year, a minimum of one written quote must be sought. Based on the supplier analysis undertaken, the school decides to approach three suppliers to provide written quotes in order to increase the competition between suppliers. These three suppliers are chosen based on recommendations from other schools and the school's previous experience.

2.4 Understand risks

It is important for schools to understand any likely risks around the procurement process and in purchasing goods or services.

When considering risks associated with the procurement process, schools should assess and measure factors such as the experience and capability of school staff involved in the procurement, probity requirements, the supplier market and potential conflicts of interest.

In addition, schools should be aware of risks that could arise when purchasing goods and/or services, or when engaging with a supplier. Depending on the procurement activity this could include risks around health and safety, legislation and insurance.

It will be the responsibility of the school to monitor and manage risks, which may include the following actions:

- Identification and documentation of risks;
- Communication of risks to the relevant people;
- Consideration of the potential impact of the risk upon the procurement process; and Ongoing review of the risk.

The optional Procurement Risk Assessment tool is available to help schools document and assess risks.

Schools should contact the SPB if they have queries relating to probity, conflict of interest and procurement risks. Conflicts of interest must also consider perceived conflicts of interest – i.e., what does the situation look like to an outsider – in addition to actual conflicts of interest.

STEP 3 – Market engagement

REQUIRED TEMPLATES

Doc Ref	Document	Purpose	Required Templates				Links
			≤ $2,500	> $2,500 and ≤ $25,000	> $25,000 and ≤ $150,000	> $150,000	
R1a	Short Form Sourcing Template Abridged	A simple template to use for lower value procurements to document the key requirements of the procurement process		✓*			R1a
R1b	Short Form Sourcing Template	A simple template to use to document the key requirements of the procurement process			✓		R1b
R3	Tender or Quote Template	Template for issuing a request for tender/quote to prospective suppliers. This includes standard terms and conditions that will apply to the contract				✓	R3
R4	Submissions record form	Templates to fill out key submission details for each supplier that has been contacted and / or responded to the request for tender / quote				✓	R4

**This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

ADDITIONAL TEMPLATES

Doc Ref	Document	Purpose	Links
A3	Submission letter	Sample letter to send to suppliers to acknowledge receipt of response	A3

GUIDELINES

The guidelines in this section describe the steps to be taken when requesting quotes and / or tenders from potential suppliers. Note that the level of detail required for these steps will vary depending on the complexity of the procurement activity –for example, a public tender will usually require a more rigorous process and more detailed documentation than a request for quote for a lower value procurement.

3.1 Develop the Quote/Tender documentation

Once the school has determined the go-to-market approach that will be taken, the quote or tender documentation needs to be developed. A specification for the goods / services required must be prepared

in sufficient detail and in such a way as to make clear what is required, and to enable a fair comparison to be made of the offers received. As set out in the Tender or Quote Template, typical inclusions in the quote or tender documentation may follow a template similar to the below.

Tender or Quote Template		
Background	☐	Why is the school procuring these goods or services?
	☐	What will the goods / services be used for?
Scope	☐	At a high level, what is being procured? What volumes?
	☐	How long will the contract last?
Statement of Requirements	☐	Provide as much detail about the goods / services as possible, including • Details about the exact goods or services required, e.g. supply only, or supply and installation, additional plumbing/electrical work required, ongoing maintenance work, after sales service • Functionality and features of goods, including model numbers (where known), size, safety features, energy/water 'star' ratings, the need for compatibility with existing equipment or technology • Quantity or volumes required • The frequency of the procurement activity (i.e. is it a one-time purchase or ongoing?) • Quality expectations, including the expected lifetime of the good being procured • Manufacturer and/or installation warranties – noting that warranties for schools may differ from warranties for individual consumers • Compliance with relevant Australian standards, e.g. certification for electrical work • Sustainability requirements that must be met • Confidentiality requirements • Length of contract (if any)
	☐	Does the supplier have to meet any legal/school specific requirements? (E.g. Working with Children check, OH&S)
	☐	Must suppliers make a site visit prior to developing a quote? Is a site visit an option available to suppliers?
Important Dates	☐	Closing date of the request for quote / tender Anticipated date for completion of the evaluation process
	☐	Contract dates
	☐	Preferred dates for delivery of goods / services
Relationship Management	☐	Provide details (including contact details) of the key school person who will be responsible for the contract
Reporting Requirements	☐	Provide overview of the ongoing reporting between the school and supplier that will be required over the life of the contract
Key Performance Indicators	☐	Provide details about how the success of the contract will be assessed
Insurance	☐	Provide details about the insurances that the supplier must be able to demonstrate, which may include: • Product liability insurance • Public liability insurance • Professional indemnity insurance • Workcover
	☐	Contact the SPB for assistance if required
Pricing	☐	Request pricing details from the supplier. This may be best presented in a table, or split by project phases
	☐	Pricing should include GST
Submission Details	☐	Provide information about the submission process, including closing date, method of submission (e.g. email) and requirements for the response (e.g. PDF attachment)
Selection Criteria	☐	Copy the evaluation criteria into the response to provide transparency for the suppliers as to how their responses will be assessed

Regardless of the market approach taken, schools must consider the criteria against which supplier responses will be evaluated. This should be based on the most important elements that schools require from the procurement, which may include:

- Compliance with specifications
- Compliance with legislative requirements
- Positive reputational practices of the supplier
- Capability and resourcing
- Past performance
- Support/value add offered
- Pricing

There is additional guidance regarding criteria in the required Evaluation Plan template which schools can refer to as needed.

When approaching the market for a procurement exceeding $150,000, schools are required to use the Tender or Quote Template. The tender documentation must include the evaluation criteria as specified in the Evaluation Plan (Detailed), and this cannot be changed once the tender has been issued to the market.

EXAMPLE	The school develops Request for Quote documentation to be issued to the three selected suppliers. This includes important information about the school's requirements, including: • The number and type of appliances that need to be tested and tagged • The timelines that the school would like the supplier to adhere to (e.g. the library to be tested in Term 1, food technology classrooms in Term 2 etc.) • Any restrictions imposed by the school (e.g. testing and tagging must be done after school hours to minimise disruption to lessons) • The length of the contract and any possibilities for extension • Any other requirements (e.g. the need for all people working on the school site to have a Working With Children Check) The school also asks the suppliers to provide details about: • Qualifications and certifications held • Any warranties provided • The supplier's insurances The school informs the suppliers that they can book a time to inspect the school in order to provide a more detailed and accurate quote, if desired.

3.2 Release the Quote / Tender

Once the school has developed the quote or tender documentation it should then be released to the relevant suppliers or the public market, depending on the market approach being taken. All suppliers should be treated fairly and ethically and be provided with the same information so that they can quote or tender on a like-for-like basis.

Known suppliers may be approached (e.g. via phone and/or email) and requested to submit a quote or tender response. A schedule of the names, addresses and telephone numbers of persons or firms contacted should be prepared. The Submissions Record Form template can be used for this purpose.

EXAMPLE	The school simply emails the Request for Quote documents to the three selected suppliers, and updates the Short Form Sourcing Template to document the names and details of the suppliers that were approached.

Where a tender is required, tenders are to be invited publicly in such a way as to induce the greatest practicable competition by advertising appropriately. The school may wish to list their tender on the Tenders Vic website – contact the SPB for assistance on this process.

3.3 Respond to supplier questions

When issuing a tender, the school should consider including a period of time for suppliers to ask questions. Where there is a period of time allowed for supplier questions, the tender documentation should clearly stipulate when this period ends. Where a school responds to queries from a supplier, the response should also be offered to all other suppliers.

3.4 Close the Tender

It is the decision of the school whether or not to accept late responses from suppliers. If late responses will be accepted, the reason for acceptance should be documented by the school. The purpose of this is to make the process fair to all suppliers by not allowing any supplier an unfair advantage by extending timeframes.

Where the school wishes to extend the closing date and / or time of the quote or tender, the school should clearly communicate this using the same communication channel/s used to originally release the quote or tender. The extension must be offered to all suppliers.

3.5 Receive supplier responses

Schools should document all responses received for the request for quote or tender using the Submissions Record Form template.

Schools should acknowledge receipt of all supplier responses. The optional Submission Letter template can be used for this purpose.

Where quotations are obtained, a suitable record of the following details is to be filed (which can be completed using the Submissions Record Form template):

- A detailed description of the goods or services for which quotations were invited
- Name(s) of organisations invited to submit quotations
- Quotation, costs and delivery details, including the date given for supply
- Where fewer than the required number of quotations was achieved, the reasons why (e.g. sole supplier)

EXAMPLE	All three of the targeted suppliers responded with written quotes within the required timeframes. The school updated the Short Form Sourcing Template to include the details and financial value of these three responses, and return emails were sent to the three suppliers to inform them that their quotes had been received.

When undertaking a tender process, the school must undertake additional process steps once the tender submission period closes:

- Involve the required resources (as identified in Step 1);
- Paper tenders are to be held unopened in a secure place until the specified closing date and time. For emailed responses, any attachments should not be opened until the closing time;
- Paper tenders are to be opened in the presence of the tender opening committee;
- Each paper tender is to be immediately numbered and initialed by the members of the tender opening committee present at the time of opening. Email tenders should be numbered;
- The particulars of each tender received (either paper or email) and opened are to be entered on a schedule that is signed by each member of the tender opening committee. The schedule is to indicate the names of tenderers and the tender amount. The Submissions Record Form can be used for this purpose.

STEP 4 – Supplier selection

REQUIRED TEMPLATES

Doc Ref	Document	Purpose	Required Templates				Links
			≤ $2,500	> $2,500 and ≤ $25,000	> $25,000 and ≤ $150,000	> $150,000	
R1a	**Short Form Sourcing Template Abridged**	A simple template to use for lower value procurements to document the key requirements of the procurement process		✓*			R1a
R1b	**Short Form Sourcing Template**	A simple template to use to document the key requirements of the procurement process			✓		R1b
R5	**Evaluation Plan (Detailed)**	A planning document outlining key evaluation processes including establishing an Evaluation Panel, developing evaluation criteria, and setting a timeline for the evaluation process				✓	R5
R6	**Procurement Evaluation Report**	Summary of procurement process, suppliers approached, and their performance against evaluation criteria to document how the final supplier selection decision was made				✓	R6

**This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.*

ADDITIONAL TEMPLATES

Doc Ref	Document	Purpose	Links
A4	Evaluation Plan (Short Form)	A simplified evaluation planning document to record the evaluation criteria that will be used to assess supplier responses	A4
A5	Evaluation Matrix	A matrix of quantitative criteria and weightings to be used to assess and compare responses received from suppliers	A5
A6	Bid clarification letter template	Template of a letter to send suppliers to clarify any information included in their response to the request for tender/quote	A6
A7	Best and Final Offer request letter	Template of a letter to send suppliers to request their best and final offer	A7
A8	Reference check	Sample questions to ask suppliers' references to verify supplier capability and past performance, and a template to record references' responses	A8
A9	Notification of evaluation outcome - successful	Template of letter to notify successful respondent of the outcome of the evaluation process	A9
A10	Notification of evaluation outcome - unsuccessful	Template of letter to notify unsuccessful respondents of the outcome of the evaluation process	A10

GUIDELINES

4.1 Evaluate responses

Schools must evaluate the supplier responses received against the set of criteria that was agreed when developing the tender or quotation documentation. Ultimately, schools should endeavor to select the supplier/s with the best value for money offering, considering not only price but the adherence to specifications, quality and timeframes in addition to any other relevant criteria. The school must consider their own circumstances and specific procurement objectives when evaluating supplier responses. Schools can refer to the Evaluation Plan and optional Evaluation Matrix for guidance on how to evaluate supplier responses and determine value for money.

If a supplier's response is unclear or more information is required, the school can approach the supplier to clarify their response. The optional Bid Clarification letter template can be used for this purpose.

Where a school requires the supplier to confirm the best and final offer that they can provide, the school should request this in writing. The optional Best and Final Offer Request Letter template can be used.

Schools should conduct reference checks on suppliers prior to offering them a contract, particularly for more complex or higher value purchases. Refer to the optional Reference Check template for guidance.

EXAMPLE	The school evaluated the three responses received and chose the supplier that offered the best value for money. It wasn't the cheapest option, but the provider aligned with the required timetable for testing, and was also able to perform the services after 4pm once classes had ceased. The supplier held the relevant insurances and provided evidence of their qualifications, which the school considered essential. The school also contacted a local café, for which the supplier had recently performed testing and tagging services and had listed as a reference, to gather feedback about the supplier's reliability and quality of services.

When undertaking a tender, there are a number of additional steps that must be taken:

- Schools must evaluate the responses based on the criteria as documented in the Evaluation Plan;
- The responses must be evaluated by the tender evaluation committee, which also needs to sign the tender evaluation report;
- The findings and supplier recommendation must be forwarded to the School Council; and
- Reasons for the acceptance of the tender are to be noted and signed by the President of the School Council and the Principal (a resolution of the acceptance of a tender must be recorded in the School Council's minutes).

4.2 Prepare the Procurement Evaluation Report

For all procurement activity schools must be able to demonstrate how the supplier selection decision was made.

When undertaking a procurement activity with a value > $150,000, schools are required to complete and retain the Procurement Evaluation Report as the primary source of information regarding the sourcing and evaluation processes. This document can be provided to the School Council where requested and shown to independent financial auditors as evidence that the school has fairly and thoroughly assessed the supplier responses.

4.3 Notify the preferred respondent

Once a preferred supplier has been selected, the school should notify the preferred supplier of the decision, noting that their engagement will be subject to the successful execution of a contract. The school may use the optional Notification of Evaluation Outcome - Successful template to prepare this communication to the supplier. Notification should be provided to the successful supplier in a timely manner.

Once the successful supplier has been informed of the decision and where there is no requirement for negotiation, the supplier should be invited to sign the contract for the supply of the goods / services offered.

EXAMPLE	The school sent an email to the preferred supplier, to inform them that their response had been successful. The school also informed the successful supplier that a contract would be forthcoming.

4.4 Notify and thank unsuccessful respondents

Once a preferred supplier has been selected and a contract has been executed, the school should notify unsuccessful respondents of the decision. The school may use the optional Notification of Evaluation Outcome - Unsuccessful template to prepare this communication to unsuccessful supplier/s, which should occur after the successful supplier has been notified.

EXAMPLE	The school sent emails to the two unsuccessful suppliers, thanking them for their responses and informing them that they were unsuccessful.

4.5 Establish contract

When entering into contracts with suppliers, schools should use standard contracts that have been prepared by the Department. These can be accessed on the Legal Division's intranet site (Link: ***School Council - Purchasing Goods or Services***). Contracts prepared by the Department have undergone stringent legal reviews and have been designed to protect both the Department and schools from risk. The use of these contracts will reduce the risk of entering into contracts with unfavourable terms and conditions.

Any terms agreed to between the parties (e.g. through email exchange) should be documented in writing to minimise legal risk.

Where a contract provided by a supplier is required, these should be reviewed by the Legal Division of the Department prior to any commitment made or signed. A supplier-prepared contract may contain clauses that put the school at risk, including those relating to unfavourable payment terms, automatic renewal of the contract and broad indemnities in favour of the supplier.

Once the contract has been signed by or behalf of the School Council, the school can commence the purchasing process. Throughout the term of the contract, the school should actively manage the contract (see Step 6 for further details).

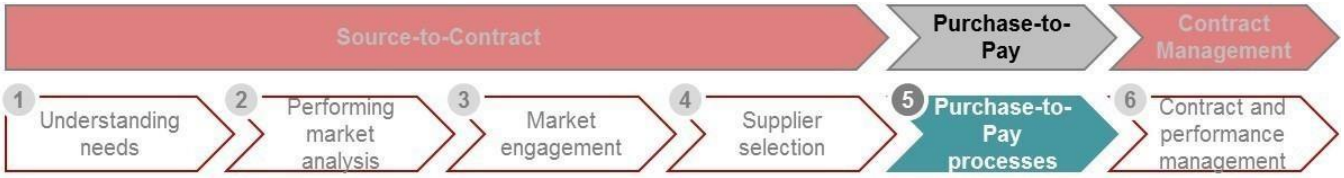
Schools should contact the SPB for assistance with contracts as required.

Supplier selection for Department-managed categories

Where the goods / services being procured fit within a Department-managed category, the school should refer to the Rules of Use for that category (located on the Schools Procurement Portal). For these categories a list of pre-approved suppliers have been verified by the SPB, and overarching agreements have been negotiated with these suppliers on behalf of all schools. The Rules of Use will outline the process for engaging with the pre-approved suppliers.

If the school decides that they do not wish to engage one of the pre-approved suppliers from a Department-managed category, the school will need to undertake all steps (as detailed in the *Schools Procurement Procedure* Document) to source an alternative supplier. This could effect the level of support provided by the Department.

STEP 5 – Purchase-to-Pay processes

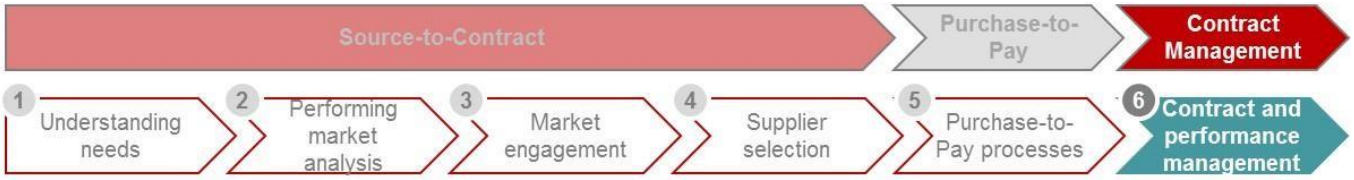


Refer to the *Finance Manual for Victorian Government Schools* for information on how to complete the Purchase-to-Pay processes, including:

- Requisitioning and Purchase Order requirements
- Receiving and receipting goods / services
- Receiving and approving invoices
- Authorising payments to suppliers

Purchase-to-Pay processes for Department-managed categories
The Purchase-to-Pay process for goods / services from Department-managed categories is the same as the process for school-managed categories. Once the school has selected a pre-approved supplier from the Department's list, the school will liaise directly with that supplier to place the order for the required goods / services. The remaining Purchase-to-Pay steps are also the same whether the goods / services are part of categories managed by the Department or schools.

STEP 6 – Contract and performance management



ADDITIONAL TEMPLATES

Doc Ref	Document	Purpose	Links
A11	Variation template	A template of a letter to send to suppliers to vary the scope, timeframes and / or price of an existing contract	A11

GUIDELINES

Schools should consider contract management as one of their key responsibilities during the procurement process. The guidelines in this section provide a list of factors which should be considered when managing suppliers and contracts, however schools are not limited to these suggestions.

Schools should review supplier contracts periodically, not only at the end of the contractual term. Once the School Council enters into a contract, they should schedule specific contract review points throughout the lifecycle of the contract.

Schools must retain documentation for any arrangements entered into with suppliers.

6.1 Assessment criteria

The school will need to define the criteria used to assess the success of a supplier or contract. This will vary depending on the nature of the goods / services provided and the requirements of the school, but may include:

- Supplier relationship with the school and ease of communication
- Supplier performance against predetermined key performance indicators
- Delivery of correct quantity of goods / services
- Delivery of goods / services at agreed price
- Delivery of goods / services in a timely manner
- Quality of goods / services delivered
- Supplier reputation
- Supplier's current position in the market (including cost, quality and reputation)
- Insurance, health and safety and Working With Children checks are kept updated and regularly sighted

Schools will benefit from conducting periodic contract reviews because it will enable the school to reflect on whether the contracted supplier still offers the best value for money and it may enable the school to identify risks prior to a contract renewal date.

As part of the contract management process, schools are advised to conduct checks to confirm that suppliers are not referencing the school in a public place, e.g. on their website.

EXAMPLE	The school decided to assess the supplier's performance twice during the year-long contract – once midway through the contract and again at the end. At both points the school considered factors such as: - Was the testing and tagging been performed and was it in line with the agreed timetable? - Were the supplier's invoices (e.g. pricing, payment terms) in line with the agreed contract? - Was the supplier reliable and easy to communicate with? - Were there any instances of electrical faults with appliances that had recently been tested and approved? - Were there any negative incidences with the supplier? The answers to these questions would then be used to determine whether to extend the supplier's contract for another year, or even longer.

Contract management for Department-managed categories
The SPB will be responsible for managing all contracts for the Department-managed spend categories. If schools purchase goods or services from the pre-approved suppliers, schools will not individually hold contracts with these suppliers and consequently there is no need for schools to undertake contract management activities. If the school decides not to use the Department's pre-approved suppliers, then the school will be responsible for all contract management activities for the suppliers that they engage.

6.2 Contract variations

Schools or suppliers may identify the need to vary an existing contract, most likely due to a change in price, timing or scope of work.

Schools are encouraged to seek advice from the SPB in this case. The optional Variation Form is available to document the changes to the contract, which should be completed and signed by both the School Council and the supplier.

SECTION 5: WORKED EXAMPLE #1 – REQUIRED TEMPLATES

The worked example in this section relates to the scenario introduced in Section 4 for the procurement of testing and tagging of all electrical equipment in the school. For this scenario, because the value of the procurement is $8,000 (it falls within > $2,500 and ≤ $25,000) and is for multiple purchases, the Short Form Sourcing Template Abridged (Template R1a) must be completed. The other templates are optional. Although only 1 written quote is required, in this example three quotes were sought for comparison purposes. Please note that the below example is more comprehensive than may be required, as it is for illustrative purposes only.

R1A. SHORT FORM SOURCING TEMPLATE - ABRIDGED

STEP 1 – Understanding needs

What do I need to procure? Why do I need to procure it?

Provider to test and tag all electrical equipment in the school throughout the course of the 2017 calendar year.

The appliances/equipment to be tested and tagged include the following:

- 60 desktop computers (for students) in the library and IT lab
  An additional 45 desktop computers (for staff) in the staff room and various offices

- Three fridges, eight ovens, eight microwaves and a number of smaller kitchen appliances in the Food Technology classroom
- Various in-built equipment, including exhaust fans and burners, in the science classrooms
- Two fully-equipped media classrooms
- Thirty electronic whiteboards

Other requirements include:

- All people involved in testing and tagging must hold the AS/NZS 3760 qualification in testing of electrical cord connected equipment and cord assemblies.
- The work must be completed outside of class hours (either before 8am or after 4pm). Work can also be performed during the school holidays. All people working on site at the school must provide evidence of a Working With

  Children check.

Generally, the school would prefer the testing and tagging to be done in four tranches – one at the start of each term.

Interested suppliers can book a time to inspect the school to help inform their quote, if desired.

Key dates:

Date	Action
20/3/2017	Request for Quotation closing date
30/3/2017	Preferred supplier notified

	4/4/2017 – 4/4/2018	Contract start date

Approximately how much is this $8,000 **expected to cost?**

Has this procurement been included and approved in regular budgeting or planning processes? ☒ Yes ☐ No (if No, comment why not planned)

STEP 2 – Performing market analysis

Which suppliers am I seeking quotes from, and why?

Tim's Test and Tag – good reputation and large number of franchises

Damien Cuthbert – school's existing electrician

Electrik Solutions – used by another local school for testing and tagging

STEP 3 – Market engagement

When must the quotes be received by? 20th March 2017

Request for Quote documentation to be based on the specifications in Step 1.

Add any additional information that may need to know in order to quote

Suppliers to submit quotes and address any queries to **suppliers** Sandra Jones. Email submissions of quotes are preferred. **provide a**

Quotes Received from Suppliers

Supplier	Price	Notes
Tim's Test and Tag	$8,100	Can align with required timeframes, Large number of employees so availability of staff is good.
Damien Cuthbert	$10,500	Damien informed us that his price will likely be too expensive as he is a qualified, experienced electrician – test and tag work is too basic for him.
Electrik Solutions	$7,800	Experience in school environments. May struggle to complete outside of school hours as they already do similar work for many schools.

STEP 4 – Supplier selection

Which supplier has been chosen? Tim's Test and Tag

Why? What is this decision based on? Price is in budget. Large number of employees mean that alignment with our timeframes (i.e. certain sections of the school each term and work required outside of classroom hours) can be accommodated. Has all required qualifications and insurances.

Has the successful supplier been ☒ Yes ☐ No **notified?**

Have the unsuccessful supplier/s been ☒ Yes ☐ No **notified?**

Added due to multiple quotes.

Has a purchase order been placed with ☒ Yes ☐ No ☐ Not required **the supplier?**

Has the purchase order been raised in	☒ Yes	☐ No	**CASES21?**		
Has a contact been established And	☒ Yes	☐ No	☐ Not required	**signed?**	

SECTION 6: WORKED EXAMPLE #2 – REQUIRED TEMPLATES

A second worked example is introduced here, to illustrate the templates that must be completed for a procurement with a total value exceeding $150,000.

EXAMPLE	A large high school located in the suburbs of Melbourne plans to upgrade its Food Technology classrooms by buying twenty new ovens. The need for the new ovens has been identified by the head Food Technology teacher, who has noticed that the existing ovens are getting quite old. A number of the ovens have also required repairs in recent years. The Food Technology teacher has done some quick research online, and sees that the supply and installation of twenty ovens is expected to cost about $160,000. The supply and installation of the twenty new ovens has been included in the school's annual budget. The school refers to the Summary Flowchart in Section 2 of this document and sees that, based on the estimated total value of $160,000, they are required to conduct a Tender and complete the following templates: • R2. Sourcing Planning Document • R3. Tender or Quote Template • R4. Submission Record Form • R5. Evaluation Plan • R6. Procurement Evaluation Report

R2. SOURCING PLANNING DOCUMENT

Understanding needs

What do I need to procure? Supply and installation of twenty ovens, and the removal and disposal of the existing twenty ovens. These are required to replace the existing Food Technology ovens, which are old and have required expensive repairs in recent years.

Why do I need it?

The successful supplier will need to provide the following:

- Supply and install twenty freestanding oven/cooktop units
- Uninstall and dispose of twenty existing oven/cooktop units The ovens will need to meet the following specifications:
- A maximum of 60cm in width to fit within the existing classroom layout
- The units must be fully electric
- The cooktop must have 4 burners
- The ovens must come with a product warranty, preferably for a minimum of 3 years

Other requirements include:

- The installation must come with a minimum of a 1 year installation warranty
- Installers must be registered electricians
- The proposed oven model must align with all relevant Australian manufacturing and installation standards
- All people involved in the installation (i.e. working on site at the school) must provide evidence of a Working With Children check

Suppliers are also asked to detail any ongoing maintenance or repairs for the ovens that may be included in the quote.

Key dates:

Date	Action
20/3/2017	Tender closing date
30/3/2017	Preferred supplier notified
4/4/2017 – 14/4/2017	Preferred dates for installation

Will this be a once-off procurement or ongoing?	☒ Once off ☐ Ongoing
Approximately how much is this expected to cost?	$160,000
Has this procurement been included and approved in regular budgeting or planning processes?	☒ Yes ☐ No

Performing market analysis

How many suppliers will I approach for quotes?	Not required as is via Tender. However, examples of what could be used if this template is used for multiple quotes is as follows: Three
Will these quotes be verbal or written?	☐ Verbal ☒ Written
Which suppliers am I seeking quotes from, and why?	Not required as is via Tender. However, examples of what could be used if this template is used for multiple quotes is as follows: Appliances Offline – has a reputation as offering discounted prices on well-known appliances and brands Norman Harvey – good reputation and range of products Whitman Appliances – largest local (family-run) supplier of electronics and appliances

R3. TENDER OR QUOTE TEMPLATE

Tender for the Supply and Installation of Twenty Ovens at Eastpoint High School

Reference Number: 2017-25

Submission Details:
Closing Time: 5pm, Monday 20th March 2017
Place of Lodgement: Via email to Sandra.jones@edumail.vic.gov.au
Receiving Staff Member: Sandra Jones, Business Manager
Additional Details: Quotation to be attached to email in PDF

Tender CONDITIONS

<Insert standard conditions here from Tender or Quote Template>

Tender DETAILS

1. Background

Eastpoint High School offers Food Technology as a subject for approximately 700 students across Years 7 to 12. The existing ovens in the Food Technology classrooms are becoming outdated and have required expensive repairs in recent years. Eastpoint High School has decided to replace twenty of the ovens with new oven/cooktop freestanding units.

2. Scope

Eastpoint High School requires the supply and installation of twenty freestanding oven/cooktop units. The supplier will also need to uninstall and dispose of the existing twenty ovens. It is strongly preferred that this work takes place during the upcoming school holidays between Terms 1 and 2 to minimise disruption to students and classes.

3. Statement of Requirements

The successful supplier will need to provide the following:

- Supply and install twenty freestanding oven/cooktop units
- Uninstall and dispose of twenty existing oven/cooktop units

The ovens will need to meet the following specifications:

- A maximum of 60cm in width to fit within the existing classroom layout
- The units must be fully electric
- The cooktop must have 4 burners
- The ovens must come with a product warranty, preferably for a minimum of 3 years

Other requirements include:

- The installation must come with a minimum of a 1 year installation warranty
- Installers must be registered electricians
- The proposed oven model must align with all relevant Australian manufacturing and installation standards
- All people involved in the installation (i.e. working on site at the school) must provide evidence of a Working With Children check

Suppliers are also asked to detail any ongoing maintenance or repairs for the ovens that may be included in the quote.

4. Important Dates

Date	Action
20/3/2017	Tender closing date
30/3/2017	Preferred supplier notified
4/4/2017 – 14/4/2017	Preferred dates for installation

5. Relationship Management Contract Manager:

Sandra Jones, Business Manager, Eastpoint High School
Sandra.jones@edumail.vic.gov.au
(03) 9755 6523

6. Reporting requirements

Any matters which arise that may be deemed to materially affect the development of the project should be communicated to the School Project Manager within twenty-four (24) hours of the matter being known to the Supplier.

7. Key Performance Indicators (KPIs)

KPI	Performance Target
Installation on time	Installation is completed during the school holiday period
Installation in full	All twenty ovens are supplied and installed

8. Insurance

Pursuant to the attached terms and conditions, insurance provisions shall include:

Insurance	Minimum Amount
Public Liability	$10,000,000
Professional Indemnity	n/a
Product Liability	n/a
Workcover	Required

9. Pricing

Provide details of your pricing for the specifications, using the format set out in the table below.

Item no.	Description	Qty.	Rate (excl. GST)	GST	Total
	<Oven model name and number>	20			
	<Installation>	20			
	<Any other items>				

10. Submission

The submission process and timelines are set out in the 'Submission Details' section on the first page of this document.

11. Selection Criteria

The selection criteria for this project are:

Criteria Category	Detailed Criteria	Weighting (out of 5)
Criteria 1 – Compliance with specifications	Proposed model is no more than 60cm wide	5
	Proposed model is a freestanding electric oven/cooktop combination unit, with 4 burners	
	Supplier will supply and install new ovens	
	Supplier will remove and dispose of existing ovens	
	Length of product warranties	
	Installation warranty provided	
Criteria 2 – Compliance with legislative requirements	Installers are registered electricians	5
	Proposed oven model aligns to required Australian standards	
Criteria 3 – Positive reputational practices	References are provided	5
Criteria 4 – Capability/ Resourcing	Installation can be completed during school holidays	4
	Installers all have a Working With Children check	
Criteria 5 – Past Performance	Supplier has previous experience in installing this particular model	3
	Installer has previous experience in installing multiple ovens (e.g. schools, restaurants, hospitals)	
	Supplier can provide evidence of required insurances	
Criteria 6 – Support/ Value Add	Supplier will offer ongoing maintenance/repairs at a discounted rate	1

CONTRACT DOCUMENTATION

<Attach Short Form Goods Contract>

TENDER RESPONSE

Reference Number:
Tender Title:

Supplier Details Trading
Name:
Registered Name:
ABN: ACN:
Address:

Small to Medium Enterprise: Small: ☐ Medium: ☐ Large: ☐

Note: Small to Medium Enterprises (SMEs) are defined as firms with less than 200 full time equivalent employees. Under 20 full time equivalent employees is defined as Small, 20-199 full time equivalent employees is defined as Medium and 200 plus full time equivalent employees is defined as Large.

Contact Details
Contact Person:
Role:
Telephone: Mobile:
Email:

I/We offer to supply the goods and/or services specified in this Tender Response; at the fees/charges specified; within the agreed period; under the terms and conditions included and any special conditions as may be specified.

Signature:

Name:
Date:

Invitee Response to Tender

The Tender Response should include:

a) An overview of how you will meet the specification requirements

b) Details of your knowledge and previous experience relevant to the required procurement

c) Detail of your business's resources and systems to support the delivery of the required procurement. Include names and qualifications of staff; be specific about their role in the delivery of the procurement

d) Details of any value adding factors, such as innovation

e) Responses to the selection criteria

f) Pricing Schedule

g) Any proposed departure(s) from contract terms and conditions

h) Declaration of any conflict of interest (actual or perceived) and how this may be managed

i) Detail your financial capability to deliver the goods or services

j) Details of your professional insurances held

k) Any other relevant information

R4. SUBMISSIONS RECORD FORM

Tender Details	
Goods / Services Required	Supply and installation of twenty ovens for Food Technology classroom
Invitation Date:	1st March 2017
Closing Date (if applicable):	20th March 2017

	Tenderer Details					Quote Details					
#	**Supplier Name**	**ABN**	**Contact Person**	**Address**	**Phone Number**	**Quote Rec'd?**	**Date of Submission**	**Submission late or on time**	**Letter of Receipt Sent**	**$ Amount of Quote**	**Quotation Details**
1	Appliances Offline	19 151 833 546	Cheryl Black	PO Box 349, Hillside West, 3045	(03) 9955 6549	Yes	16/3/17	On time	Yes	$52,250	Model: Smeg 60cm freestanding
2	Norman Harvey	12 898 676 827	Mark Fraser	Shop 45, 845 Jackson Rd, Eastpoint	(03) 9755 5631	Yes	20/3/17	On time	Yes	$53,000	Model: Belling 54cm freestanding Cannot install until Term 2
3	Whitman Appliances	13 459 865 553	Joe Whitman	18 Hillside Avenue, Newford	(03) 9756 6531	Yes	20/3/17	On time	Yes	$58,000	Model: Smeg 60cm freestanding

Were fewer than the required number of quotes received?	Not applicable as is via Tender. However, template can be used for procurement activities where quotes are required.
If yes, why?	Not applicable as is via Tender. However, template can be used for procurement activities where quotes are required.

Is the quote accepted other than the lowest received?	Yes
If yes, why?	Supplier with the lowest quote cannot install during the school holidays, which is required to minimise disruption to students and classes

R5. EVALUATION PLAN (DETAILED)

Tender/Quote Number: 2017-23	
Tender/Quote Name: Supply and installation of twenty ovens	
Tender/Quote Description: Supply and installation of twenty ovens for the Food Technology classroom, plus the removal and disposal of the existing twenty ovens	
Name of person completing this form: Sandra Jones – Business Manager	
Date Tender Issued: 1st March 2017	**Closing Date for Tender:** 20th March 2017

Roles and Responsibilities

Roles and responsibilities for each of the procurement activities are summarised in the Procurement Responsibility Matrix. *(Template A1)*

Evaluation Team(s)

Evaluation Team Members	Role
Simon Fernandez (Principal)	Chair
Sandra Jones (Business Manager)	Member
Laura Nguyen (Head Food Technology teacher)	Member

Advisers

Advisers are planned to be used in undertaking the Tender evaluation: Yes ☐ No ☒

Financial Authority

The Principal will be responsible for approving the engagement of the preferred supplier.

Evaluation Timetable

The proposed evaluation timetable is as follows:

Date	Action
20/3/2017	Request for Tender/Quotation closing date
28/3/2017	• Completion of initial response evaluation • Scheduling and completion of reference checks • Preferred supplier agreed and approved
30/3/2017	Preferred supplier notified
4/4/2017 – 14/4/2017	Intended dates for installation

Pricing Assessment

Price will be one consideration when evaluating supplier responses. The evaluation team must ensure that it is comparing like-with-like when assessing the prices quoted by different suppliers.

Evaluation Criteria

Supplier responses will be evaluated and scored against the following weighted criteria:

Criteria Category	Detailed Criteria	Weighting (out of 5)	Suggested guidelines
Criteria 1 – Compliance with specifications	Proposed model is no more than 60cm wide	5	Required to fit classroom layout
	Proposed model is a freestanding electric oven/cooktop combination unit, with 4 burners		Required to fit existing electricity outlets; classroom does not have gas outlets
	Supplier will supply and install new ovens		Require same supplier to do both supply and installation to expedite the process
	Supplier will remove and dispose of existing ovens		Must uninstall ovens and remove from premises
	Length of product warranties		3 year warranty preferred, shorter warranties considered
	Installation warranty provided		1 year installation warranty preferred
Criteria 2 – Compliance with legislative requirements	Installers are registered electricians	5	Electrician required so as not to void product/installation warranties
	Proposed oven model aligns with required Australian standards		Must meet all Australian appliance standards
Criteria 3 – Positive reputational practices	References are provided	5	References required to contact for feedback
Criteria 4 – Capability/ Resourcing	Installation can be completed during school holidays	4	Strongly preferred to minimise disruption to students/classes
	Installers all have a Working With Children check		Required for anyone completing work on the school site
Criteria 5 – Past Performance	Installer has previous experience in installing this particular model	3	Preferred – as this will likely facilitate a smooth installation
	Installer has previous experience in installing multiple ovens (e.g. schools, restaurants, hospitals)		Preferred – as this will likely facilitate a smooth installation
	Supplier can provide evidence of required insurances		Must have public liability insurance ($10m preferred) and Workcover
Criteria 6 – Support/ Value Add	Supplier will offer ongoing maintenance/repairs at a discounted rate	1	Preferred but not mandatory, to lock in savings

Standard Procurement Evaluation Procedures

<Add here from Evaluation Plan (Detailed) template, and adjust as required>

R6. PROCUREMENT EVALUATION REPORT

Tender/Quote Number: 2017-23
Tender/Quote Name: Supply and installation of twenty ovens
Tender/Quote Description: Supply and installation of twenty ovens for the Food Technology classroom, plus the removal and disposal of the existing twenty ovens
Name of person completing this form: Sandra Jones – Business Manager

1.0 RECEIPT AND SHORTLIST

1.1 The market approach was:

☐ Verbal Quote/s ☐ Written Quote/s

☒ Tender ☐ State Purchase Contract

☐ Other

1.2 If a selective process was used (i.e. a predetermined list of suppliers was approached for quotes or to respond to a request for tender), please list all suppliers approached and why they were chosen: Although this is not required in this example as was a Tender, template can be used for procurement activities where quotes are required.

Supplier	***Capability -*** *Why did we approach this supplier?*	***Response received on time?*** ***Yes***	***No***
Appliances Offline	Reputation as offering discounted prices on well-known appliances	☒	☐
Norman Harvey	Reputation and range of products	☒	☐
Whitman Appliances	Largest local (family-run) supplier of electronics and appliances	☒	☐

1.3 Were all responses accepted as compliant at the time of receipt/opening? YES ☒ NO ☐

If NO, provide details of those deemed non-compliant and why:

1.4 Were any late responses received? YES ☐ NO ☒

If yes, how many? NUMBER

Were these handled in accordance with the *Schools Procurement Policy* and *Schools Procurement Procedure* document? YES ☐ NO ☐

Please detail any additional relevant information.

1.5 After the initial evaluation, was a short list created? YES ☐ NO ☒

If NO, please provide a brief explanation as to why.

No need for shortlist, as only three suppliers responded to the Tender.

2.0 FINAL EVALUATION

2.1 Weighted Capability Criterion – evaluation process

All responses were subject to full evaluation against the criteria outlined in the Quote/Tender documentation and the Evaluation Plan. The offers were evaluated as follows:

- All members of the Evaluation Team were involved YES ☒ NO ☐
- Appropriate expertise was obtained as required YES ☐ NO ☐ N/A ☒

The evaluation considered the following:

- Invitation / Response documents YES ☒ NO ☐ N/A ☐
- Interviews/presentations YES ☐ NO ☒ N/A ☐
- Product demonstrations YES ☐ NO ☒ N/A ☐
- Site visits YES ☐ NO ☒ N/A ☐
- Reference checks YES ☒ NO ☐ N/A ☐
- Financial viability checks YES ☒ NO ☐ N/A ☐

2.2 Weighted Capability Criterion – evaluation outcome

The numerical results of the evaluation are outlined in the table at Schedule 1. ***(Template A5)***

2.3 Price – evaluation process

Pricing was subject to full and independent evaluation and included the following:

- Evaluation of lump sum pricing YES ☒ NO ☐ N/A ☐
- Evaluation of time and materials pricing (rates based) YES ☐ NO ☐ N/A ☒
- Evaluation of fee structuring characteristics (e.g. unit cost, economies YES ☐ NO ☐ N/A ☒ offered, incentives, contingencies proposed)
- Confirmation of pricing via Best and Final Offer process YES ☒ NO ☐

And (where necessary):

- Any and all assumptions were considered and equalised to ensure that YES ☒ NO ☐ N/A ☐ the price comparison was undertaken on a like-for-like basis
- Any and all Schedule of Rates items were extended to estimated YES ☐ NO ☐ N/A ☒ workload quantities
- Financial sensitivity analysis was used to differentiate the real cost of YES ☐ NO ☐ N/A ☒ various scenarios

3.0 VALUE FOR MONEY

Preferred Supplier Assurance

Referees have confirmed capability	YES ☒	NO ☐	N/A ☐
Financial capability confirmed[1]	YES ☒	NO ☐	N/A ☐
Absence of current conflicts of interest confirmed	YES ☐	NO ☐	N/A ☒
Management process for any future conflicts of interest confirmed	YES ☐	NO ☐	N/A ☒
Appropriate insurance cover confirmed	YES ☒	NO ☐	N/A ☐

If NO to any of the above, please provide a brief explanation as to why the Supplier is judged to be the preferred supplier, and what is proposed to mitigate risk to the school and/or the Department.

Other checks conducted YES ☐ NO ☒

If YES, details are:

4.0 CONTRACT DETAILS

Contract Negotiation and Risks

Response from Appliances Offline is fully compliant with the standard Department contract template provided in the Request for Quote documentation.

Contract Period

Estimated start date: 31 / 03 / 2017

Estimated end date: 14 / 04 / 2017 Option

to extend: YES ☐ NO ☒

If Yes*:*

Contract Value	
Total (whole of life) value (incl. GST): $162,250 **Includes:**	
All extension options:	
Contingency:	YES ☐ N/A ☒
If Yes:	YES ☐ N/A ☒
Value of the options: $	
Value of contingency: $ or %	
What is the basis of this contingency?	
Contract provides for price variation:	YES ☐ N/A ☒

[1] You can check status of organisations on ASIC and ABNLookup

If Yes: (provide details)	
Contract Management Proposed contract manager: Sandra Jones All relevant procurement documentation--including details of financial viability checks, reference checks and Conflict of Interest Statements-are retained on file for audit purposes	YES ☒ NO ☐

5.0 RECOMMENDATION

That Appliances Offline be engaged to supply and install twenty Smeg 60cm freestanding oven/cooktop units Food Technology classrooms, and remove and dispose of the existing twenty units, at a cost of $162,250 (incl. G subject to the negotiation of a suitable contract.

I do not have an actual or potential Conflict of Interest to declare.

I have no personal, professional or business relationship or other circumstance to declare that could be perceive a constituting a Conflict of Interest.

<NB: Evaluation Panel members are required to complete the conflict of interest statement prior to release of the Invitation to the market>

_____

Name: Simon Fernandez

Position: Principal

Date: 28/03/2017

_____

Name: Sandra Jones

Position: Business Manager

Date: 28/03/2017

_____

Name: Laura Nguyen

Position: Head Food Technology teacher

Date: 28/03/2017

<Attach Template A5 (Evaluation Matrix) to demonstrate why the preferred supplier was chosen>