



Procurement Policy

1. Introduction

This policy applies to all employees. For the purpose of this policy, an “employee” includes:

- permanent employees (including full time and part time);
- fixed-term employees;
- casual employees; temporary agency staff; and
- contractors,

engaged by the BOWE Project and its subsidiaries. It extends to any Nexsphere staff working on BOWE.

Breaches of this Policy will lead to appropriate corrective action, which could include ceasing employment or other contracts with BOWE. Criminal and civil penalties could be imposed if fraud, corruption, bribery or Australian Consumer Laws are breached.

The Policy should be read in conjunction with other policies including: the Anti-Modern Slavery & Human Trafficking Policy, the Employee Code of Conduct and Anti-Bribery & Corruption Policy.

2. Purpose

The Procurement Policy applies to all Procurement (as defined in this Policy) and outlines how BOWE and its subsidiaries are to conduct procurement activities.

BOWE procures good and services each year to deliver its business.

3. Key Definitions

Evaluation Criteria	The criteria used to evaluate the compliance and/or relative ranking of proposals.
Goods	Anything which is legally capable of being owned including, but not limited to, physical goods and real property as well as intangibles such as intellectual property, contract options and goodwill.

Probity	Evidence of ethical behaviour in a particular process. This involves proactively demonstrating that any procurement process is transparent, robust and the outcome beyond reproach. Probity requires behaving in such a way that there can be no perception of bias, influence or lack of integrity.
Services	An activity that involves a supplier doing things for, or providing a benefit to, BOWE rather than producing goods. Some services do not result in the ownership of anything, and others can result in the ownership of intellectual property or temporary use of licensed material or subscriptions.
Small to Medium Enterprise	A business employing less than 200 people.
Specification	A document that specifies the design requirements, work objectives, deliverables, performance criteria and payment information for an engagement.
Value for Money	The best mix of cost, quality (i.e. ability to meet user requirements) and sustainability (environmental, social and economic). The lowest price will not necessarily represent the best value for money.

4. What is Procurement?

Procurement is the process of acquiring goods, services and works, beginning when a need has been identified and resulting in the award of a contract.

It includes planning, design, standards determination, specification writing, preparation of request for quotation/tender documentation, selection of suppliers, financing, contract administration, disposals, and other related functions.

It also includes the organisational and governance frameworks that underpin the procurement function.

Procurement does not include:

- investments or divestments;

- land or property sales;
- loans;
- insurance;
- engagement of employees;
- payments made in line with statutory/legislative requirements;
- property purchases and leases.

5. BOWE's Procurement Principles

Across its procurement activities, BOWE commits to:

- a) Obtaining value for money;
- b) Promoting open and fair competition;
- c) Using local suppliers, where possible, practical and economically suitable;
- d) Advancing economic, environmental and social objectives; and
- e) Acting with integrity, probity and accountability.

5.1 Value For Money

BOWE acknowledges that value for money means more than price. We will consider the relevant financial and non-financial costs and benefits of a contract, including but not limited to:

- a) Quality;
- b) Fit for purpose;
- c) The potential supplier's relevant experience and past performance;
- d) Innovation and the adaptability over the life of the potential contract;
- e) Whole of life costs; and
- f) Economic, environmental and social sustainability.

5.2 Economic, Environmental and Social Sustainability

BOWE supports local businesses and economic diversity by encouraging purchases that are:

- a) From local suppliers;
- b) Where appropriate, from small and medium businesses;
- c) Generate local employment; and
- d) Considers the cost relative to life and durability.

BOWE encourages the selection of products/services that have minimal effect on the depletion of natural resources and biodiversity.

BOWE encourages social sustainability by seeking to use local suppliers and businesses as much as possible.

6. Understanding your Responsibilities

BOWE staff play a critical role in procurement. Your responsibilities are:

- a) Ensure Responsible Financial Management: funds must be used efficiently, effectively and ethically and not compromise the principles in this Policy;
- b) Ensure security of supply to safeguard our business now and into the future;
- c) Prior to establishing a procurement method, you must estimate the whole of life costs;
- d) You must use the correct procurement method;
- e) You must ensure that the correct approvals are held for the Procurement, which ensures that BOWE has available funds within an approved budget.
- f) Staff must treat budget information as confidential and not divulge this to our suppliers;
- g) Staff can not take steps that intentionally avoid the requirements of this Policy
- h) Staff must follow this policy to ensure we can demonstrate individual and company probity.

7. Planning for a Procurement

You plan for procurement by completing the following steps: develop specifications, establish evaluation criteria and assess procurement risk. Each step is described in detail below:

6.1 Develop Procurement Specifications

Prior to commencing a procurement process, Staff must clearly specify what is to be purchased. When you develop specifications, take into account the following:

- Ensure impartiality and objectivity;
- Set out the specifications in terms of performance and functional requirements;
- Encourage the use of standard products;
- Ensure that economic, environmental and social objectives are facilitated; and
- Minimise unnecessary and/or stringent requirements.

6.2 Establish Evaluation Criteria

Evaluation criteria must be established and documented prior to approaching the market and must be included in the request documentation.

6.3 Assess Procurement Risk

Staff must assess and manage the risks associated with each procurement and with the goods, services and/or works being sought.

Prospective suppliers will be required to meet the relevant insurance and risk requirements as detailed in the request documentation.

Suppliers who are successful in being awarded a contract must maintain all insurances and certifications throughout the term of the contract.

8. The Procurement Process

The procurement process below must be followed:

Mandatory Procurement Thresholds and Requirements	
Spending Value (including GST)	Sourcing Method
\$0-\$100,000	1 quotation
\$100,000 - \$250,000	2 written quotations

\$250,000 - \$500,000	Invited tender with a minimum of three suppliers
>\$500,000	Public tender- supported by external firms with expertise in required area

The expected value of a procurement must be estimated before a decision on the procurement method is made.

The expected value includes the maximum value of the proposed contract including GST, any extensions options, renewals, etc that may occur over the life of the contract.

If a procurement is conducted in multiple parts with contracts awarded either at the same time or over a period of time, with one or more suppliers, the expected value of the goods, services or works being procured must include the maximum value of all of the contracts.

A procurement must not be divided into separate parts solely for the purpose of avoiding a relevant procurement threshold.

9. Exemptions from this Policy

In some circumstances conducting Procurement in line with this Policy is not always possible or appropriate. The following categories are exempt from this Policy:

- a) Procurement of Legal Services
- b) Procurement of Accounting Services
- c) Procurement of Staff Labour Hire
- d) Procurement of Advertising Services

BOWE

