West Wimmera Shire Council

Asset Management Strategy

2018 - 2022

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West Wimmera Shire Council – Asset Management Strategy.					
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4	02/2018	Total Strategy Review	Assets and GIS Coordinator		
5	07/03/2018	Council Review	Assets and GIS Coordinator		

Contents

1   Introduction.

West Wimmera Shire Council (WWSC) is the owner and/or custodian of a large portfolio of assets which includes roads, drains, buildings and facilities, open space, plant & equipment, library materials, art works and land. These assets enable the community to access and enjoy all the services and facilities that WWSC has to offer.

These assets represent a vast investment built up over many generations, which in itself presents a significant challenge as many assets were constructed or acquired many decades ago and as such are approaching the end of their useful lives. Infrastructure costs consume a large part of Council's budget and can have a substantial impact on Council's budget and human and capital resource planning.

The efficient management of these assets is vital in maintaining safe, reliable and efficient services that help achieve the strategic priorities and goals of Council. Failure to adequately plan for the replacement of existing assets and the development of new assets will result in assets not meeting the needs of the community, now and in the future.

The environment in which Local Government operates is constantly changing. As assets continue to age, Councils will need to demonstrate an accepted level of skill, expertise and also a duty-of-care in relation to management practices and maintenance of assets.

There are a number of factors that require Council to critically assess the way in which it manages these assets. These include:

- limitations in Council's ability to raise funds;
- increased pressure from the community for improved service delivery at least cost;
- Changes in legislation requiring such things as, safety, the identification, and depreciation of infrastructure assets.
- Compliance with legislation, codes and standards.

This strategy seeks to implement best practice in asset management by:

- ensuring asset management decisions are based on whole of life costing;
- monitoring the condition and performance of all assets;
- understanding the service level the asset is required to provide;

- understanding the remaining useful life of an asset or its components;
- understanding the current deterioration and consumption model for each asset category;
- using a condition degradation model (Moloney Model) to determine future renewal demands;
- evaluating alternative means of service provision;
- balancing competing needs across functions to minimise duplication;
- continually seeking opportunities for multiple use of assets;
- considering any proposal to dispose of an asset, where such disposal may affect the level of service being provided;
- endeavouring to align the timing of expenditure on assets, particularly renewal or upgrade, with the actual use of the asset to avoid deferred expenditure being borne by future generations;
- participating in the National Asset Management Assessment Framework Program;
- applying the Australian Accounting Standards; and
- Referencing the Institute of Public Works Engineering Australia International Infrastructure Management Manual.

2   Background.

2.1   What is Asset Management?

Asset Management is a process used to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise the asset service delivery potential, and manage related risks and costs over the entire life of the asset.

Asset Management ensures that Council's assets are capable of providing services, of an agreed quality, in a sustainable manner, for present and future generations.

2.2   Why is Asset Management Important to Council?

Asset Management delivers benefits that are realised in the areas of improved accountability, sustainable service delivery, risk reduction and financial management and forecasting. Specific benefits can include:

- More informed decision-making
- Improved efficiency of limited capital funds and asset operation costs
- Ability to plan for present and future generations
- Improved long-term financial forecasting and management

- Assets that are suitable and capable of supporting the service delivery needs of the community

Council's Asset Management Framework shows the relationship between the Council Plan, the Asset Management Policy, this Strategy and Council's Asset Management Plans. The Long Term Financial Plan, Strategic Resource Plan and Budget are also directly linked to the Asset Management Plan outputs. This framework will ensure a strategic approach to Asset Management.

Council is currently updating and reviewing its suite of Asset Management Plans. The Asset Management Plan (AMP) format is described below:

- Part A – General AMP: Background and information common to all assets.
- Part B – Roads AMP.
- Part C – Bridges & Major Culverts AMP
- Part D – Buildings AMP
- Part E – Pathways AMP
- Part F – Drainage AMP
- Part G1 – Playgrounds AMP
- Part G2 – Pools AMP
- Part H – Recreation & Open Space AMP
- Part I – Other Infrastructure AMP

As other AMP's are developed, these will be included into the suite of plans as above.

3   Asset Management Plans.

Council's Asset Management Plans demonstrate the achievement of the Councils objectives through the application of responsible Asset Management planning, this will:

- Ensure that the assets are managed properly so to deliver Council's strategic outcomes;

- Ensure that the assets provide the specified asset levels of service in the most cost–effective manner;

- Anticipate, plan and prioritise spending on the assets;

- Use a lifecycle approach to manage the assets in the most cost effective manner over time;

- Ensure efficient operation and continued sustainability of the assets;

- Provide a basis for asset performance monitoring (condition assessment, performance targets and improvement actions);

- Identify and minimise environmental risk and liability resulting from asset usage;

- Conduct consultation to establish community expectations in relation to asset service standards through the community's representatives (Councillors).

- Undertake a risk based approach to identify operational, maintenance, renewal and capital development needs, and apply best value economic analysis to select the most cost effective asset treatment program;

- Continually review and improve asset management practices; and,

- Continuously review and improve the plans.

Council have developed Asset Management Plans in 2014 for all major asset categories. The plan comprises of a general plan covering assets in general, and 8 other sub plans for individual asset categories covering, roads, bridges, major culverts, buildings, pathways, drainage, playgrounds, pools, recreation, open space, and other infrastructure assets.

These plans have been prepared using the existing data at the time. Council will review these plans when more data become available in future, representing the true status of the assets. Most of these plans do not contain service levels as the service levels were not defined at the time. It is proposed to carry out a service review for all council service and incorporated into these plans.

4 Current State of the Assets Managed by Council.

4.1 Current Assets.

Council's assets are made up of a wide range of different asset types, all of which are fundamental in meeting the needs of the community.

Assets may be physical (i.e. tangible e.g. plant, buildings) or non-physical (i.e. intangible e.g. intellectual property, goodwill).

This strategy only considers physical infrastructure assets. The major characteristics of an asset are:
- There must be service potential or future economic benefits;
- The future economic benefits must be quantifiable; and
- Council must have control of the service potential.

4.2 Asset Values.

The replacement values of Councils assets are listed below, with an explanation of the values or details of assets with no current value.

Asset Category	Quantity	Replacement Value	Comments
Sealed Roads	828 km's	$ 148,556,016	This data is from 2015 road survey which will be updated in future revaluations
Unsealed Roads	1980 km's	$ 44,589,625	This data is from 2015 road survey which will be updated in future revaluations
Kerb and Channel	52.6 km's	$ 6,909,312	This data is from 2015 road survey which will be updated in future revaluations
Footpaths	34,884 m²	$ 4,084,964	This data is from 2015 road survey which will be updated in future revaluations
Car Parks			No data is currently available, this information will be collated in future revaluations.
Bridges	12 no	$ 9,812,250	This data is from 2017 bridge survey which will be updated in future revaluations.
Foot Bridges	5 no	$ 460,000	This data is from 2017 bridge survey which will be updated in future revaluations
Major Box Culverts	10 no	$ 2,859,250	This data is from 2017 bridge survey which will be updated in future revaluations.
Major Pipe Culverts	11 no	$ 1,770,000	This data is from 2017 bridge survey which will be updated in future revaluations.

Asset Category	Quantity	Replacement Value	Comments
Minor Culverts	3,469 no	$ 8,887,885	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Storm Water Pipes	13.7 km's	$ 3,536,636	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Storm Water Pits	348	$ 461,395	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Parks & Gardens Assets			No data is currently available, this information will be collated in future revaluations.
Street Furniture and Signs			No data is currently available, this information will be collated in future revaluations.
Buildings	168	$ 32,670,780	This data is from 2014 building survey which will be updated in future revaluations.
Urban Street Trees			No data is currently available, this information will be collated in future revaluations.
Other Assets (Retaining walls, fences etc.)			No data is currently available, this information will be collated in future revaluations.

5 Current Asset Management Systems and Processes.

The Core Asset Management practices, essential for effective Asset Management across the organisation, falls into three broad categories:

- Assets data recorded in Council's Corporate Asset Management System.

- System process models that link Council's Asset Management System data to mapping data through to documented data representing key asset management functions and processes across the whole Council organisation.
- Information systems which support the above functions.

5.1 Asset Data and Corporate Asset Management System.

WWSC has tried various Asset Management Systems in the past. The Moloney Asset Management System (AMS) was introduced in 2003 and has been running since the initial implementation time dealing primarily with road and road related assets. Asset Management functionalities in this system are limited primarily to a condition based data analysis system, and as a result from this Asset*Asyst* was introduced in 2013, primarily as a system to allow the field inspections for defect data to be collected and processed as work orders to staff.

The full functionalities necessary for effective Asset Management have not been available in Asset*Asyst*, so Council has purchased Pitney Bowes Confirm Asset Management System at the end of 2015 and we are currently in the process of implementing the system.

Council's mapping is done through the Pitney Bowes MapInfo Geographical Information System (GIS), which will have direct links between MapInfo and Confirm when the systems are both up and running with good solid data to present to Council.

The following information has been identified as a requirement for the organisation to support effective asset management. This information will be completed as assets are inspected, ground truthed and updated into the GIS and Asset Management System, then updated and incorporated into Council's AMP's and Strategies.

Asset Data	Status
Asset Hierarchy	The asset hierarchy has been developed for Council's road and footpath network at present. No hierarchy has been developed for other assets types at this stage, this process will be completed as the assets are identified and updated into our systems.
Asset Identification	Asset identification exists for roads, buildings, footpaths and kerb and channel.

Asset Data	Status
	The existing road data is in the process of being updated with new road data using the Moloney AM System. Asset identification for other assets types will be completed as the assets are identified and updated into our systems.
Maintenance History	Maintenance history is recorded against roads and road related assets and buildings. All future maintenance records will be captured for all remaining asset types into the new systems as they become available.
Condition History	Condition history exists for roads and road related assets and buildings. All this previous condition data will be captured into the new system as it becomes available and other condition data will be collected and populated as well.
Life Cycle Costing	Used in Asset Management Plans and in the development of Capital and Operational programs and budgets.

5.2   Asset Management Processes and Models.

There are five models that covers the whole of the Asset Management process.

- Governance Model:
  This model indicates the organisational structure and the roles and responsibilities relating to asset management.
- Spatial Model:
  This model indicates the role of the Assets and GIS Coordinator to manage GIS related works through the use of MapInfo GIS software.
  Council is also part of the Wimmera Southern Mallee Shared Services Group (WSMSSG). POZI GIS web service has been initiated under this program and is linked to the Council web site, enabling public access to GIS data. Future work will be added to this data as assets are updated and implemented in MapInfo.
- Customer Service Model:
  The customer requests received are entered in the Civica program, and then manually create actions/defects against the assets.

It is proposed to enter all customer requests directly in Confirm, which will automatically send the requests to individual actions officers assigned for each request type.

- Service Model:

  For roads and associated infrastructure the Road Management Plan is the governing document and levels of service are defined in this document.

  For other asset categories service levels are partly defined in individual asset management plans and needs improving to reflect current service levels provided.

- Financial Model:

  The financial model incorporates all the departments within the Council. The information flows to the Finance Department through the Asset Department for asset related income and expenditure. Asset related budget expenditure is captured from the Asset Management Plans and forms the basis for Council's Long Term Financial Plan.

  Budget expenditure includes operational, maintenance, capital renewal, improvements and new initiatives. Other departments send their expenditure and income to the Finance Department separately. Finance Department uses past data on income and expenditure and models into the Long Term Financial Plan.

  Civica's Authority and Business Intelligent System (BIS) is used to store and display financial data.

6   Gap Analysis on Current Asset Management Practices.

A gap analysis was carried out previously to identify areas of the current Asset Management practices and to develop an improvement program for these gaps. This analysis was done by the MAV STEP consultants and follows the procedure published in the IPWEA Infrastructure Manual.

This information is relatively old, and it is proposed to complete a new analysis in the near future when higher priority works have been completed.

7   Asset Maintenance.

The maintenance of assets have been on a reactive basis for most of the asset classes except for roads and road related assets, where the maintenance activities are managed as per Council's Road Management Plan.

Maintenance activities for the road assets are in the Asset*Asyst* system. Maintenance activities relating to building assets are being recorded by the building work staff against each assets with associated costs.

It is proposed to put all maintenance activities into the Confirm System when the system implementation is completed.

It is proposed to develop realistic maintenance regimes for all asset categories, analysing past recorded maintenance data in future.

8   Asset Renewal Gap.

The data available to carry out a realistic analysis of renewal gap across all the assets is being established and hence a realistic renewal gap will be calculated when the new data is available.

New road asset data is currently being gathered. We will carry out a comprehensive condition assessment for all assets and this will be expected to be completed in due course.

9   Asset Management Improvement Plan.

To manage the community assets in an ongoing sustainable manner Council must ensure they are good Asset Managers.

Many Asset Management improvements were identified in individual AMPs in 2014. Some of these improvement works are shown below though this information is a first cut analysis with a more in depth assessment to be completed in the future.

Asset Management Reference.	Improvement Action.
General.	Complete the implementation of Council's Confirm Asset Management System.
	Improve Council's existing Service Plans for all asset categories.
	Improve Council's existing Asset Management Plans for all asset categories.
	Develop maintenance regimes for all asset categories analysing past maintenance records.
Roads.	Collect and populate all the road and road related asset data into Confirm Asset Management System.
	Complete mapping of the road and road related asset data into Council's GIS software.

Asset Management Reference.	Improvement Action.
Bridges.	Collect and populate all the bridge asset data into Confirm Asset Management System.
	Identify the load capacity for all bridges and populate into Confirm.
	Complete mapping of the bridge asset data into Council's GIS software.
Buildings.	Complete mapping of the building asset data into Council's GIS software.
	Collect and populate all the building and building related asset data into Confirm Asset Management System.
Pathways	Complete mapping of the pathway asset data into Council's GIS software.
	Collect and populate all the pathway asset data into Confirm Asset Management System.
Stormwater Drainage	Complete mapping of the stormwater drainage asset data into Council's GIS software.
	Collect and populate all the stormwater drainage asset data into Confirm Asset Management System.
Playgrounds	Complete mapping of the playground and related asset data into Council's GIS software.
	Collect and populate all the playground and related asset data into Confirm Asset Management System.
Swimming Pools	Complete mapping of the swimming pools and related asset data into Council's GIS software.
	Collect and populate all the swimming pools and related asset data into Confirm Asset Management System.
Recreation, Open Space, and Street Furniture	Complete mapping of the recreation, open space, and furniture and related asset data into Council's GIS software.
	Collect and populate all the recreation, open space, and furniture and related asset data into Confirm Asset Management System.

10 Strategy Review.

Council will formally review this strategy on a four year basis.

The review will take into consideration Council's Plan, Local Government Performance Reporting Framework and Council's Risk Management Policy. The next review will completed by

COUNCIL POLICY		
ASSET MANAGEMENT POLICY	Policy No:	
	Adopted by Council:	21/03/2018
	Next review date:	03/2018

Senior Manager:	Director Infrastructure Development & Works
Responsible Officer:	Asset Systems and GIS Coordinator.
Functional Area:	Asset Management

Introduction & Background	The Asset Management Policy is the framework that enables strategic and quality governance of Council's owned, and/or responsible for, Assets.
	The Policy reflects Council Plan objectives pertaining to Asset Management and service delivery.
Purpose & Objectives	The purpose of the Asset Management Policy, is to ensure that Council manages its assets in accordance with:
	• National and State legislation, guidelines, frameworks and codes,
	• Council's policies and procedures, and
	• Council's current Council Plan.
	The primary objective is to provide 'fit for purpose' assets to enable sustainable service levels.
Definitions	

An **Asset** is a physical component of a facility that has value, enables a community service to be provided and has an economic life of greater than 12 months.

For the purpose of this policy and Council's Asset Management Strategy, the assets include, but are not limited to:

- Land and land improvements,
- Roads,
- Buildings,
- Other Structures,
- Parks, Open Space and Streetscapes,
- Plant and Equipment,

	- Furniture and Fittings, - Bridges, - Drainage, - Footpaths and Kerb and Channel. **Asset Management** is the combination of recording, management, financial, economic, engineering, and other practices, applied to physical assets with the objective of providing the required level of service in the most cost effective manner over the life of the asset. An **Asset Management Plan** is a plan developed for the management of specific asset categories that combines multi-disciplinary management techniques over the lifecycle of the asset in the most cost-effective manner to provide specified levels of service. The **Council Plan** is a legislative requirement where each local government must develop a four-year strategic plan. The Council Plan is a key component in the corporate planning framework. It provides guidance and direction to the organisation by setting organisational goals, outcomes, strategies, actions, resource requirements and performance measures for the next four years. The Budget components of the Council Plan, are critical feeder documents informing the Asset Management Plans. **Levels of Service** has two components: 1) Levels of Service are determined by Council through the budget process reflecting Council's Plan and the outputs or objectives that Council intends to deliver to its constituents, 2) A subset of the above is the condition of the asset providing the service **Life cycle cost** is the total cost of an asset throughout its life including planning design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs. **Long-Term Financial Plan** contains a 10 year budgeted financial statements and associated key financial performance indicators that assesses the financial integrity of the plan. **Sustainability** is the process by which systems are replicable over a long-term period, (for example 100 years,) including environmental, social and economic systems.
Policy Details	
1.	Asset Management Principles
	Council will, as part of its consideration of asset management: - In the implementation of the Council Plan, provide quality assets that support services that are appropriate, accessible, responsive and sustainable to the community - Undertake to develop industry standard, affordable and financially sustainable asset management plans that:

		a. Assess the capacity of the assets to provide the required level of service
		b. Assess future asset needs based on likely changes in demographics, demand and technology
		c. Assess future asset replacement needs
		d. Assess future asset maintenance needs to provide approved service levels
		e. Identify likely sources of funding for future asset requirements
		• Undertake a critical needs analysis and whole-of-life cost before allocation of funds on all major capital projects for new or existing assets
		• Develop and implement a framework for the evaluation and prioritisation of capital projects
		• Allocate appropriate resources for asset management practices
		• Involve and consult with the community and key stakeholders in determining service standards
		• Ensure asset information is timely, and accurate, allowing for informed decision making and appropriate asset planning, both in the short and long term
		• Manage its assets utilising a multi-discipline cross-functional asset management group.
2.	Regulations	
	Council, in accordance with the Local Government Act 1993, Australian Accounting Standards and the Local Government Finance Standard 2005 is, required to:	
	• Show that its capital base is not consumed at a rate that will adversely affect the service potential	
	• Show that sufficient funding is available for the planned asset replacement	
	• Consider the equity between different generations	
	• Consider the efficient, effective and proper management of its operations	
	• Consider planning for the future	
3.	Roles and responsibilities	
	Councillors	
	• To act as stewards for the assets	
	• To set corporate Asset Management Policy and vision with linkage to the Council Plan	
	• To set levels of service, risk and cost standards	
	• Approve and review Asset Management Plans	

- To ensure appropriate resources and funding for asset management activities are made available to integrate Asset Management Policies, Asset Management Strategies and Asset Management Plans into the corporate governance framework
- Provide consistent and transparent decision making based on adopted criteria; and
- To provide an advocacy role with State and Federal Governments and the community.

Chief Executive Officer and Senior Management Team (SMT)

- To continually promote asset management across the Council and with the community
- To validate and challenge proposals to ensure they meet the Corporate Plan objectives and community service needs
- To develop and continue to refine the overarching Asset Management Policy and Asset Management Strategy with linkage to the Corporate Plan for consideration by Council
- To foster and support the multi discipline cross functional Asset Management Steering Committee
- To monitor the performance of the staff in implementing asset management
- To ensure the community and key stakeholders inputs are integrated into Asset Management Plans and monitor the outcomes
- To ensure staff are appropriately trained and skilled to perform the required asset management functions
- To ensure that accurate and reliable information is presented to Council for decision making
- To provide effective communication between staff, Council and the community
- In consultation with the community and key stakeholders identify asset management Levels of Service for Council consideration

Asset Management Steering Committee.

- Development and implementation of Asset Management Strategy

	- To develop, implement, review and monitor the outcomes for the Asset Management Plans using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis - Continually seek innovative ways of meeting service needs - Continual review of Asset Management Policy - In consultation with key stakeholders identify asset management Levels of Service for Council consideration - In accordance with Council's approved service levels, deliver levels of service to agreed risk and cost standards - Ensure efficient and effective use of Council funds and optimise life cycle cost of all assets - To provide effective communication between staff and Senior Management - To develop and implement maintenance, refurbishment and capital works programs in accordance with Asset Management Plans and report to Senior Management and Council - To develop and implement procedures that ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities - Promote and raise awareness of asset management to the Council, staff and users.

Policy Adopted:	Ordinary Meeting [date]	Minute Book Page [number]	RecFind Ref
Policy Reviewed:	Asset Management Steering Committee	2017 09 18	
	Asset Management Steering Committee	2018 02 05	
	Councillor Workshop	2018 02 14	
	Council Forum	2018 03 07	
	Ordinary Meeting [date]	Minute Book Page [number]	RecFind Ref

COUNCIL POLICY

ASSET DISPOSAL POLICY	Policy No:	
	Adopted by Council:	21/03/2018
	Next review date:	03/2020

Senior Manager:	Director Infrastructure Development & Works. Director Corporate and Community Services.
Responsible Officer:	Assets and GIS Coordinator.
Functional Area:	Asset Management. Financial Services.

Introduction & Background	The Asset Disposal Policy is the framework that enables strategic, quality governance of Council controlled assets through the whole lifecycle of the asset, to its disposal. The policy meets the relevant Council Plan objectives pertaining to Asset Management and service delivery. This policy must be read in conjunction with the Asset Disposal Procedure.
Purpose & Objectives	The purpose of this policy is to give direction for the disposal of Council assets, when the assets are no longer required to meet agreed services Or when there is no clear need for Council to retain ownership of the asset Or When the projected lifecycle cost can no longer be justified. This policy provides direction for identifying, assessing and making decisions that will inform the Council of their responsibilities in the disposal process. The primary objective of this policy is to provide a systematic, transparent and accountable method for the disposal of Council owned assets in accordance with Council policies and all appropriate legislation and accounting standards.
Definitions	Disposal: Actions necessary to decommission and dispose of assets that are no longer required.

	Lifecycle: The time interval that commences with the identification of the need for an asset and terminates with the disposal of the asset or any liabilities thereafter.
	Lifecycle Cost: The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
	Council Officers: These include Council employees (Including full-time; part-time temporary and casual), Contractors, Volunteers or the employees of anybody providing services on the Council's behalf.

Policy Details

1.	Scope.
	The Asset Disposal Policy applies to all asset classes owned by Council and identified as, but not limited to the Asset Capitalisation Policy:
	• Land and land improvements,
	• Roads,
	• Buildings,
	• Other Structures,
	• Parks, Open Space and Streetscapes,
	• Plant and Equipment,
	• Furniture and Fittings,
	• Bridges,
	• Drainage,
	• Footpaths and Kerb and Channel.
2.	Policy Principles.
	Council must have regard to the following principles in its disposal of assets:
	• open and effective competition,
	• demonstrate Council's accountability and responsibility to ratepayers,
	• seek to be fair and equitable to all parties involved,
	• seek to ensure probity, accountability and transparency in all disposal processes,
	• seek to ensure that the best outcome is achieved for Council,
	• applies to all Council Officers and Councillors,
	• Council officers must carry out all phases of the disposal process with impartiality, fairness, independence, openness and integrity,

		• obtaining best value in the management of public money. This is not restricted to price, but must, where applicable, include consideration of: • the contribution to Council's Long Term Financial Plan and Strategic Management Plans, • any relevant direct and indirect benefits to Council, • efficiency and effectiveness, • the costs of various disposal methods, • internal administration costs, • risk exposure, and, • value of any associated social and/or environmental benefits.
3.		Consultation.
		Council must undertake public consultation in respect of its proposed disposals of land and/or buildings in accordance with the Local Government Act 1989, and will be updated following LG 2018 Act.
4.		Adoption of Policy.
		This is a new policy for Council.
5.		Policy Review
		Council will review this policy as required, and within 2 years after a general election of the Council.

Policy Adopted:	New Policy		
Policy Reviewed:	Asset Management Steering Committee	2017 09 18	
	Asset Management Steering Committee	2018 02 05	
	Councillor Workshop	2018 02 14	
	Council Forum	2018 03 07	
	Ordinary Meeting [date]	Minute Book Page [number]	RecFind Ref

Approved Date: 14 April 2015
Review date: Annually

Responsible Officer: Bernie Maddern, Contracts Manager

West Wimmera Shire Council

Procurement Policy

April 2015

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1 *Principles*

1.1 *Background*

West Wimmera Shire Council:
- Recognises that:

  - Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by council, will enhance achievement of council objectives such as sustainable and socially responsible procurement; bottom-line cost savings, supporting local economies; achieving innovation; and better services for communities.

  - The elements of best practice applicable to local government procurement incorporate:

    - broad principles covering ethics, value for money, responsibilities and accountabilities;

    - guidelines giving effect to those principles;

    - a system of delegations (i.e. the authorisation of officers to approve and undertake a range of functions in the procurement process);

    - procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement; and

    - a professional approach.

- Requires that council's contracting, purchasing and contract management activities:

  - support the council's corporate strategies, aims and objectives including, but not limited to those related to sustainability, protection of the environment, and corporate social responsibility;

  - span the whole life cycle of an acquisition from initial concept to the end of the useful life of an asset, including its disposal, or the end of a service contract;

  - achieve value for money and quality in the acquisition of goods, services and works by the council;

  - can demonstrate that public money has been well spent;

- o are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;

- o seek continual improvement including the embrace of innovative and technological initiatives such as electronic tendering processes to reduce activity cost; and

- o generate and support business in the local community.

1.2 *Scope*

This Procurement Policy is made under Section 186a of the *Local Government Act 1989.*

This section of the Act requires the council to prepare, approve and comply with a Procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the council.

This policy applies to all contracting and procurement activities at council and is binding upon councillors, council officers and temporary employees, contractors and consultants while engaged by the council.

1.3 *Purpose*

The purpose of this Policy is to:

- • provide policy and guidance to the council to allow consistency and control over Procurement activities;

- • demonstrate accountability to rate payers;

- • provide guidance on ethical behaviour in public sector purchasing;

- • demonstrate the application of elements of best practice in purchasing; and

- • increase the probability of obtaining the right outcome when purchasing goods and services.

1.4 *Treatment of GST*

All monetary values stated in this policy include GST except, where specifically stated otherwise.

1.5   *Definitions and Abbreviations*

Term	Definition
Act	*Local Government Act 1989.*
Commercial in Confidence	Information that, if released, may prejudice the business dealings of a party e.g., prices, discounts, rebates, profits, methodologies and process information, etc.
Contract Management[i]	The process that ensures both parties to a contract that fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.
Council Staff	Includes full-time and part-time council officers, and temporary employees, contractors and consultants while engaged by the council.
Probity[ii]	The dictionary definition of probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within government, the word "probity" is often used in a general sense to mean "good process." A Procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the council's policies and legislation are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.
Standing Offer Arrangements (SOA)	A contract that sets out rates for goods and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.
Sustainability[iii]	Activities that meet the needs of the present without compromising the ability of future generations to meet their needs.
Procurement[iv]	Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.
Tender Process	The process of inviting parties to submit a quotation by tender using public advertisement, followed by evaluation of submissions and selection of a successful bidder or tenderer.

Value for Money	Value for Money in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including: • contribution to the advancement of the council's priorities; • non-cost factors such as fitness for purpose, quality, service and support; and • cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.

2 Effective Legislative and Policy Compliance and Control

2.1 *Ethics and Probity[v]*

2.1.1 Requirement

The council's procurement activities shall be performed with integrity and in a manner able to withstand the closest possible scrutiny.

2.1.2 Conduct of Councillors and Council Staff

2.1.2.1 General

Councillors and council staff shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and *will:*
- treat potential and existing suppliers with equality and fairness;

- not seek or receive personal gain;

- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;

- present the highest standards of professionalism and probity;

- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;

- provide all suppliers and tenderers with the same information and equal opportunity; and

- be able to account for all decisions and provide feedback on them.

Council staff who are responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

2.1.2.2   Members of Professional Bodies

Councillors and council staff belonging to professional organisations shall, in addition to the obligations detailed in this policy, ensure that they adhere to any code of ethics or professional standards required by that body.

2.1.3   Tender Processes

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act.

2.1.4   Conflict of Interest

Councillors and council staff shall at all times avoid situations in which private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties.

Councillors and council staff shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for the work.

The onus is on the councillor and the member of council staff involved being alert to and promptly declaring an actual or potential conflict of interest to the council.

2.1.5   Fair and Honest Dealing

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so it can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected. Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

2.1.6   Accountability and Transparency

Accountability in procurement means being able to explain and provide evidence on the process followed.   The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore the processes by which all procurement activities are conducted will be in accordance with the council's procurement policies and procedures as set out in this policy and related, relevant council policies and procedures.

Additionally:
- all council staff must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the council and provide feedback on them; and

- all procurement activities are to provide for an audit trail for monitoring and reporting purposes.

2.1.7 Gifts and Hospitality

No councillor or member of council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the council is interested.

Councillors and council staff must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Councillors and council staff should also avoid the ambiguous situation created by visiting the premises of a contractor, organisation, firm or individual uninvited and/or not on official business.

Offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how flimsy the evidence available), must be promptly brought to the attention of the CEO.

2.1.8 Disclosure of Information

Commercial in-confidence information received by the council must not be disclosed and is to be stored in a secure location.

Councillors and council staff are to protect, by refusing to release or discuss the following:
- information disclosed by organisations in tenders, quotation or during tender negotiations;

- all information that is Commercial in Confidence information; and

- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councillors and council staff are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that supplier.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

2.2   *Governance[vi]*

2.2.1   Structure

The council shall:
- establish a procurement management responsibility structure and delegations ensuring accountability, traceability and auditability of all procurement decisions made over the lifecycle of all goods, services and works purchased by the council;

- ensure that the councils' procurement structure:

    o is flexible enough to purchase in a timely manner the diverse range of material, goods, works and services required by council;

    o ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;

    o encourages competition; and

    o ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

2.2.2   Standards

The council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with:
- The Act,

- The council's policies,

- The council's Code of Conduct, and

- Other relevant legislative requirements such as but not limited to the Trade Practices Act, Goods Act and the Environmental Protection Act.

2.2.3   Methods

The council's standard methods for purchasing goods, services and works shall be by some or all of the following methods:
- purchasing card;

- purchase order following a quotation process from suppliers for goods or services that represent best value for money under directed quotation thresholds;

- under contract following a tender process; or

- using aggregated purchasing arrangements with other councils, Procurement Australia, MAV Procurement, Victorian Government, or other bodies;

unless other arrangements authorised by the council or the CEO on a needs basis as required by abnormal circumstances such as emergencies.

The council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders.

Typically a multi-stage tender process will commence with a registration of interest stage followed by a tender process involving the organisations selected as a consequence of the registration of interest stage.

Registrations of Interest (ROI) may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear;

- the requirement is capable of several technical solutions;

- the council wishes to consider ahead of formal tender processes such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project;

- tendering costs are likely to be high and council seeks to ensure that companies incapable of supplying the requirement don't incur unnecessary expense;

- it is necessary to pre-qualify suppliers and goods to meet defined standards; and

- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

Additionally, for highly complex projects the council may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by council. Such sequential tenders may or may not be preceded by the registration of interest phase as required by the council based on the actual needs of the project.

2.2.4   Responsible Financial Management

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council staff must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

2.3 *Procurement Thresholds and Competition*

2.3.1 Requirement

The council will from time to time decide and publish in this policy clear guidelines for minimum spend competition thresholds. These will be decided by the council by analyzing the historical size and complexity of the procurement activity and of proposed procurement activities.

2.3.2 Minimum Spend Competition Thresholds

2.3.2.1 Tenders

Purchase of all goods and services for which the estimated expenditure exceeds $150,000, and building and construction works for which the estimated expenditure exceeds $200,000, must be undertaken by public tender as per the thresholds contained in the Local Government Act.

However, should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better result for the council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds.

2.3.2.2 Quotations

Purchase of goods, services having a total $150,000 and works having a total valuation of $200,000 or less may be undertaken using the procurement by quotation method as described below:

- Items with a value between $2,000 to $8,000 – Request for Quotation.
  A minimum of one written, or email must be obtained and the details recorded before placing an order (similar details must be recorded where more than one supplier has quoted) and documented in the councils' Record system.

- Items with a value $8,001 to $25,000 – Request for Quotation.

  Council will receive a minimum of two written quotations or as directed by the relevant Departmental Manager.

  The quotation offering the best value for money must be confirmed by the supplier on company letterhead and the order placed with that firm.

  Details of the suppliers contacted and their quotations must be recorded on at least a simple spreadsheet or similar document in the councils' Records system.

- Items with a value $25,001 to $80,000 – Request for Quotation.

  Council will receive a minimum of three written quotations or as directed by the relevant General Manager.

  Quotations returned by the nominated closing date must be evaluated and a recommendation made in favour of the supplier offering the best value for money outcome.

  The original supplier's quotations and all other quotations must be maintained in councils' Record system.

- Items with a value $80,001 to $150,000 – Request for Quotation.

  Council will receive a minimum of three written quotations or as directed by the Chief Executive Officer.

  Quotations returned by the nominated closing date must be evaluated and a recommendation made in favour of the supplier offering the best value for money outcome.

  The original supplier's quotations and all other quotations must be maintained in councils' Record system.

- Public Advertising.

  Quotations may be advertised at the council staff member's discretion in addition to the methods above. This may occur when a field of potential tenderers hasn't been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices, etc.

- Insufficient quotations.

  The situation may arise where insufficient quotations are received to satisfy the above requirements.

  This may occasionally occur where there are few suppliers for the goods, services or works being sought or the work is highly specialised. In this case, the details of the contacted suppliers must be recorded on the relevant documentation or recommendation and an appropriate comment recorded.

2.4 Delegation of Authority[vii]

2.4.1 Requirement

Delegations define the limitations within which council staff are permitted to work. Delegation of procurement authority allows specified council staff to approve certain purchases, quotation, tender and contractual processes without prior referral to the council. This enables the council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to council and the public that purchasing activities are dealt with at the appropriate level.

As such, the council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for Contract Management activities.

Council	up to and over $100,000	
Chief Executive Officer	up to	$100,000
General Managers	up to	$ 80,000
Department Managers	up to	$ 50,000
Responsible Officers	up to	$ 10,000

For the purposes of this Policy, 'Responsible Officers' includes all Team Leaders, the Assistant Finance Manager, and any other Council Officer designated under delegated authority by the Chief Executive Officer as a contract or project superintendent.

2.4.2 Delegations

2.4.2.1 Council Staff

The council shall maintain a documented scheme of procurement delegations, identifying the council staff authorised to make such procurement commitments in respect of goods, services and works on behalf of the council and their respective delegations contained in Financial Delegations policies[viii]:

- Acceptance of tenders

- Acceptance of quotes

- Contract term extensions (within authorised budget)

- Contract amendment (non-financial)

- Contract amendment (financial)

- Appointment to register of pre-qualified suppliers

- Credit Card purchases

- Procedural exceptions

2.4.2.2 Delegations Reserved for the Council

Commitments and processes which exceed the CEO's delegation and which must be approved by the council are:

- Initial signing and sealing of contract documents.

- Tender recommendations and Contract approval for all expenditure over $150,000 for goods and services and $200,000 for Design and Construct works in value.

- Contract term extensions (requiring additional budget).

2.5   *Internal Controls*

The council will install and maintain a framework of internal controls over procurement processes that will ensure:

- more than one person is involved in and responsible for a transaction end to end;

- transparency in the procurement process;

- a clearly documented audit trail exists for procurement activities;

- appropriate authorisations are obtained and documented; and

- systems are in place for appropriate monitoring and performance measurement.

2.6   *Commercial Information*

Procurement activities will be carried out in a way that supports council staff in meeting their obligations - to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with the relevant council guidelines.

2.7   *Risk Management*

2.7.1   General

Risk Management is to be appropriately applied at all stages of procurement activities which will be properly planned and carried out in a manner that will protect and enhance the councils capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

2.7.2 Supply by Contract

The provision of goods, services and works by contract potentially exposes the council to risk.

The council will minimise its risk exposure by measures such as:

- standardising contracts to include current, relevant clauses;

- requiring security deposits where appropriate;

- referring specifications to relevant experts;

- requiring contractual agreement before allowing the commencement of work;

- use of or reference to relevant Australian Standards (or equivalent); and

- effectively managing the contract including monitoring and enforcing performance.

2.8   *Contract Terms*

All contractual relationships must be documented in writing based on standard terms and conditions.

Where this is not possible, approval must be obtained from the appropriate member of council staff listed in the council Delegations. A request for such an approval should be supported with procurement and legal advice as relevant.

To protect the best interests of the council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to doing this expose the council to risk and thus must be authorised by the appropriate member of council staff listed in the council Delegations.

2.9   *Endorsement*

Council staff must not endorse any products or services. Individual requests received for endorsement must be referred to Director level or above.

2.10   *Dispute Resolution*

All council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes getting out of hand and leading to legal action.

2.11 *Contract Management[ix]*

The purpose of contract management is to ensure that the council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:

- establishing a system monitoring and achieving the responsibilities and obligations of both parties' under the contract; and

- providing a means for the early recognition of issues and performance problems and the identification of solutions.

- adhering to Council's Risk Management Framework and adhering to relevant Occupational Health and Safety Contractor Compliance Procedures.

All council contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed by the member of council staff responsible for the delivery of the contracted goods, services or works to ensure the council receives Value for Money.

3   Demonstrate Sustained Value

3.1   *Integration with Council Strategy*

The council procurement strategy shall support its corporate strategy, aims and objectives, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community such as:

- feeling safe,

- living in a clean and pleasant environment, and

- receiving good quality and well managed council services that are Value for Money

3.2   *Achieving Value for Money*

3.2.1   Requirement

The council's procurement activities will be carried out on the basis of obtaining Value for Money.

This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determinate of value for money.

3.2.2   Approach

This will be facilitated by:
- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;

- effective use of competition;

- using aggregated contracts and SOA where appropriate;

- identifying and rectifying inefficiencies in procurement processes;

- developing cost efficient tender processes including appropriate use of e-solutions;

- council staff responsible for providing procurement services or assistance within the council providing competent advice in terms of available products and agreements; and

- working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

3.2.3   Role of Specifications

Specifications used in quotations, tenders and contracts are to support and contribute to the council's Value for Money objectives through being written in a manner that:
- ensures impartiality and objectivity;

- encourages the use of standard products;

- encourages sustainability;

- eliminates unnecessarily stringent requirements

3.3 *Performance Measure and Continuous Improvement*

Appropriate performance measures are to be established and reporting systems will be used to monitor performance and compliance with procurement policies, procedures and controls

Procurement procedures, practices and costs will be benchmarked externally. Internal service standards will be agreed within the council and performance against these targets will be measured and reviewed regularly to support continuous improvement.

The performance measurements developed will be used to:
- Highlight trend and exceptions where necessary to enhance performance.

- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers

- Facilitate programmes to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories*.*

3.4 *Sustainability*

3.4.1 General

The council is committed to achieving sustainability and ensuring it monitors and reports on council activities and programs that have an impact on or contribute to the environment including but not limited to the following:

- waste management,

- recycling,

- energy management,

- emission management,

- water conservation,

- green building design, and

- procurement.

3.4.2 Sustainable Procurement

The council is committed to adopting a Green Procurement approach by supporting the principles of sustainable procurement within the context of purchasing on a Value for Money basis.

Value for Money purchasing decisions made by the council are made on the basis of whole-of-life cost and non-price factors including contribution to the council's sustainability objectives

The council prefers to purchase environmentally preferred products whenever they achieve the same function and value for money outcomes

The council will therefore consider the following environmental sustainability criteria:
- Reduce, Reuse, and Recycle

   The council is committed to reduce resources, consumption and minimise waste during the procurement life cycle including:

   - The council shall encourage and prefer Eco-friendly products which are more power efficient.

   - Selecting energy, fuel and water efficient products (ideally Energy and Water Star Ratings of 4 Star and above, and the highest Green Vehicle Guide star rating)

   - The council shall prefer to purchase from a source which is less polluting or uses clean technology

   - The council's procurement projects should automatically consider the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole-life costs and disposal considerations.

- Buy Recycled:

   The council is committed to buy recycled/part recycled products to optimise consumption and stimulate demand for recycled products, promoting the collection and reprocessing of waste and working towards zero discharge to landfill.

- Green the Supply Chain:

   The council shall encourage council suppliers to adopt good environmental practices.

   The council will actively promote green procurement throughout its supply chain and ensure selection which has minimum environmental impact.

3.5   *Diversity*

Promoting equality through procurement can improve competition, Value for Money, the quality of public services, satisfaction among users, and community relations. It should be a consideration in every procurement project and reflect corporate commitment to diversity and equal opportunities wherever possible.

3.6   *Support Local Business*

3.6.1 Consideration of Total Value

Council will have regard to the following principles in its acquisition of goods and services.
- Encouragement of the development of competitive local business and industry. Where the evaluation criteria are comparable, Council may consider the following:
- the creation of local employment opportunities
- increased availability of local servicing support
- increased convenience with communications with the supplier for contract management
- economic growth within the local area
- benefit to Council of associated local commercial transactions; and or
- the short and long term impact of the procurement on local business.

4 Apply a Consistent and Standard Approach

The council will provide effective and efficient commercial arrangements for the acquisition of goods and services

4.1 *Standard Processes*

The council will provide effective commercial arrangements covering standard products and provision of standard services across the council to enable employees to source requirements in an efficient manner.

This will be achieved via establishing the following:

- Pricing where relevant

- Processes, procedures and techniques

- Tools and business systems (e.g. implementing appropriate e-tendering, e-evaluation; e-catalogue or e-sourcing arrangements).

- Reporting requirements

- Application of standard contract terms and conditions.

4.2 *Performance Indicators*

A list of performance indicators will be developed to measure procurement performance. They will include criteria such as:
- The proportion of spend against corporate contracts

- User and supplier satisfaction levels

- Knowledge and skill of council employees in procurement process

- Level of compliance and understanding of council procurement policies

- Measuring the success of procurement initiatives eg. procurement cards

4.3 *Management Information*

The council seeks to improve its' performance by capturing and analysing procurement management information in a variety of areas, including:

- Volume of spend

- Number of transactions per supplier

- Supplier performance

- User satisfaction

- Category management

- Green spend

The council will also use external sources of management information to assist with the procurement decision making process including:

- Benchmarking data

- Information from professional bodies such as the Chartered Institute of Purchasing and Supply Australia

- Supplier reports

5 Build and Maintain Supply Relationships

Council recognises that in order to achieve sustainable value, a strategic assessment of the appropriate 'channel to market' should be undertaken – whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State Government panel agreements or other means. Council will consider supply arrangements that deliver the best value outcomes in terms of time, expertise, cost, value and outcome.

5.1 *Developing and Managing Suppliers*

Council recognises the importance of effective and open working relationships with its suppliers and is committed to the following:
- Managing existing suppliers, via the appropriate development programmes and performance measurements to ensure the benefits are delivered.

- Maintaining approved supplier lists

- Developing new suppliers and improving the capability of existing suppliers where appropriate.

5.2 *Supply Market Development*

A wide range of suppliers should be encouraged to compete for council work. The focus for new work need not always be with the larger more familiar businesses. Other types of organisations offering business diversity include:

- Local businesses

- Green suppliers

- Small to medium sized enterprises (SME's)

- Social enterprises

- Ethnic and minority business

- Voluntary and community organisations

5.3 *Relationship Management*

The council is committed to developing constructive long-term relationships with suppliers. It is important that the council identifies its key suppliers so that its efforts are focused to best effect. Such areas may include:

- Size of spend across the council

- Criticality of goods / services, to the delivery of the council's services

- Availability of substitutes

- Market share and strategic share of suppliers

5.4 *Communication*

External communication is very important in ensuring a healthy interest from potential suppliers and partners to the council. The external website will be updated and provide:

- Information about council and how to become an approved supplier.

- A list of existing and forthcoming contract opportunities, projected over a number of years.

- Guidelines for doing business with council.

- Standard documentation used in the procurement process

- Links to other relevant sites.

6   Continual Improvement

The council is committed to continuous improvement and will review the procurement policy on an annual basis, to ensure that it continues to meet its wider strategic objectives.

7   Policy Owner and Contact Details

Bernie Maddern, Contracts Manager, West Wimmera Shire Council is the designated owner of this policy.
For further information on the policy, please contact via email:
contract@westwimmera.vic.gov.au phone 03 53927700.

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[i]   Ian McPhee, Auditor-General for Australia, "Contract Management in the Public Sector – an ANAO Better Practice. Perspective" Paper delivered at the Australian Government Procurement Conference,

[ii]   Landell Consulting definition

[iii]   Adapted from the definition attributed to the World Commission on Environment and Development

[iv]   From MAV Procurement Policy Workshop slides – April 2009

[v]   Draws from Procurement Policy information provided from several Victorian Councils, as well as comments received during the MAV Procurement Policy Workshops in April 09.

[vi]   Based on MAV workshop slides – April 09 complemented from information provided from several Victorian Councils.

[vii]   Based on Procurement Policy information received from several Victorian Councils

[viii] Indicative amounts, individual councils will insert their own values.

[ix]   Landell Consulting, 2008, *CONTRACT MANAGEMENT PRINCIPLES,* page 5.

Attachment A

Local Government Act 1989 – SECT 186A

Procurement Policy

186A. Procurement Policy

    (1)   A Council must prepare and approve a procurement policy.

    (2)   A Council must within 12 months after the commencement of section 67 of the Local Government Amendment (Councillor Conduct and Other Matters) Act 2008 prepare and approve a procurement policy.

(3)   A procurement policy must include any matters, practices or procedures which are prescribed for the purposes of this section.

(4)   A Council must have regard to guidelines made under subsection (5) in preparing a procurement policy.

(5)   The Minister may make guidelines with respect to the form or content of a procurement policy.

(6)   Guidelines made under subsection (5) must be published in the Government Gazette.

(7)   At least once in each financial year, a Council must review the current procurement policy and may, in accordance with this section, amend the procurement policy.

(8)   A copy of the current procurement policy must be available for inspection by the public –

(a) at the Council office; and

(b) on the Council's Internet website.

(9)   A Council must comply with its procurement policy.

(10)   In this section procurement policy means the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council.

BENCHMARKING TO ENHANCE COUNCIL PROCUREMENT OUTCOMES

A snapshot of Local Government Procurement within Victoria – FY17

Overview

There have been significant achievements in local government throughout Victoria in recent years since the implementation of targeted procurement improvement strategies. This includes the implementation of procurement analytics, greater collaboration between councils to leverage and combine their collective purchasing power, streamlining of procurement processes and analysis of each Councils procurement framework to deliver overall better value for money and more sustainable outcomes.

Benchmarking to Enhance Council Procurement Outcomes
A snapshot of Local Government Procurement within Victoria – FY17

MAV
MUNICIPAL ASSOCIATION OF VICTORIA

Sector Insights

The introduction of rate capping for the Victorian local government sector has placed a greater focus on Council procurement frameworks and practices.

Executives are now seeking answers to questions such as …

How well is our procurement framework currently functioning?

Can procurement be a key financial sustainability driver for Council in this rate capping environment?

So, as a sector …

How much do we know about procurement within local government in Victoria?

What are our current benchmarks?

How can we extract further value for money through procurement?

ArcBlue Consulting, in collaboration with MAV, have developed this paper to share their insights uncovered through many years of ongoing engagement and support of procurement in local government within Victoria.

Based on sector engagement in the MAV LEAP Program, this paper aims to shine a light on key sector performance figures, establish benchmarks and highlight existing opportunities for creating the platform for greater procurement outcomes within Councils.

FY2017 LEAP Snapshot[*]

33 councils

$4,158 avg value per transaction

36,916 suppliers

609,175 transactions

$2.5 billion+ total spend

87% spend in Victoria
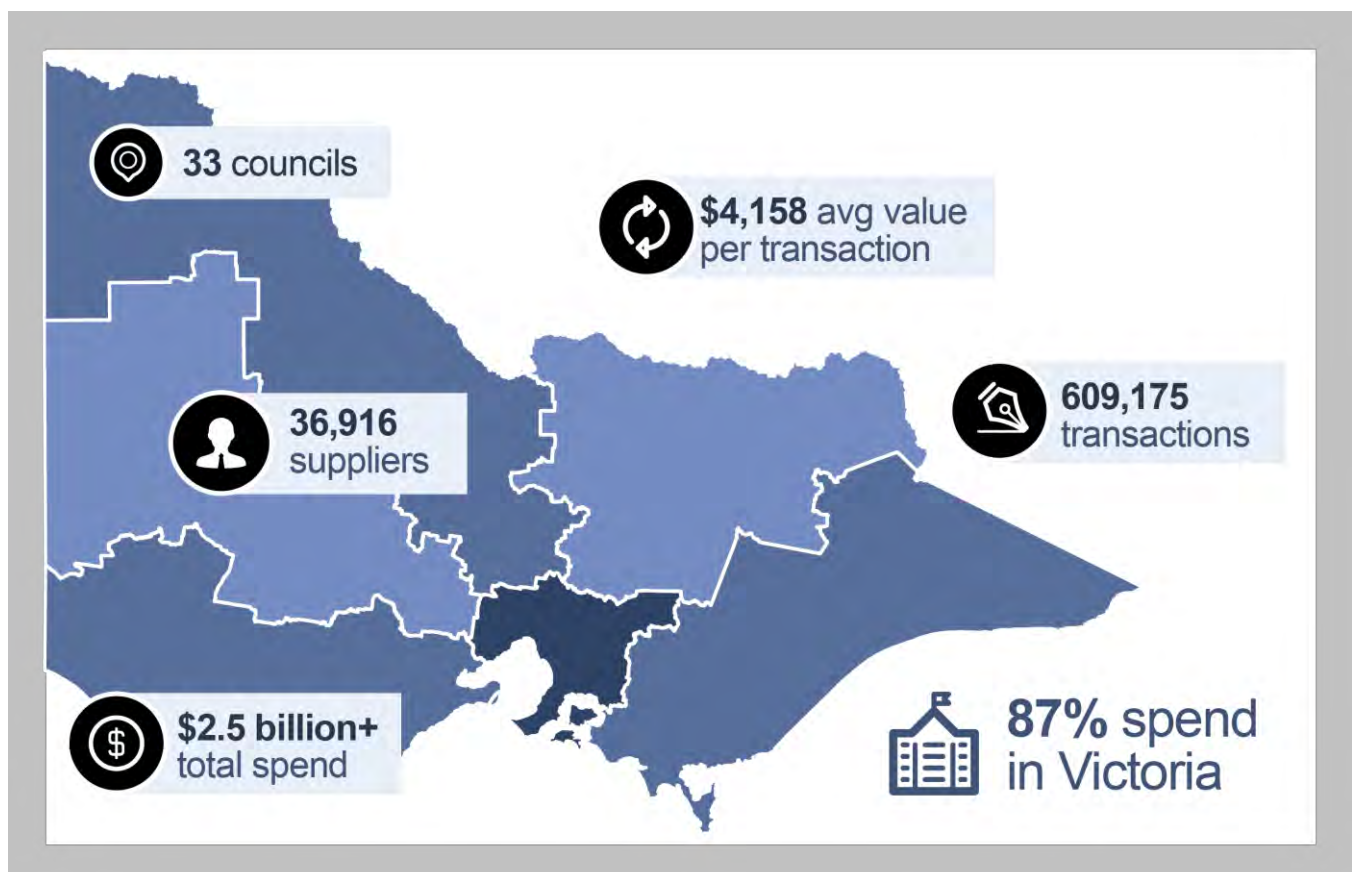
[*] Accurate as per September 2017 based on data provided through the MAV LEAP Program.

What are the key findings?

Procurement Maturity
A targeted approach to procurement development has realised an increase in procurement maturity within the sector.

Process Efficiency
There has been an increase in the efficiency of payment processing with a reduction in invoices and an increase in purchase card usage for transactions below $1,000.

High Spend Suppliers
The number of suppliers used by Councils with over $150,000 spend during FY17 has grown slightly, increasing Council legislative compliance activity.

Uncontracted Spend
More contract information is being captured through Council ERP systems providing better clarity on the usage of Council contracts.

Local Spend
Council spend with local suppliers is slightly down on last year however there was an overall increase in local spend in Councils that have specific local supplier development targets.

Regional Spend
Councils increased their spend with suppliers within their broader regions.

What opportunities did we identify?

Procurement Maturity
The maturity of the sector would be greatly enhanced through a targeted approach from Councils in the People, Sustainability, Category Management and Results & Benefits dimensions.

Process Efficiency
By establishing more consolidated invoicing arrangements with suppliers, increasing the use of purchase cards and targeting high transaction volume categories further process efficiencies can be achieved.

High Spend Suppliers
Reviewing high spend suppliers provides an opportunity to investigate the alignment of this spend to specific category strategies or supplier engagement expectations within the categories.

Uncontracted Spend
The clarity of contract spend will be enhanced by greater contract data being gathered through Council ERP systems. In particular, contracts within the Legal & Conveyancing category may be an opportunity to gain further value for money.

Local Spend
The Plant & Vehicles and Temporary Labour categories generally offer an opportunity to increase the percentage of local suppliers used by Councils.

Regional Spend
A review of out of region spend will highlight opportunities for Councils to increase their percentage of regional suppliers used and regional collaborative procurement programs provide a platform to gain further value for money through regional aggregation.

What else is emerging across the sector from a procurement perspective?

Category Management	Some Councils are reviewing their procurement framework and looking at establishing centre-led procurement models built around a category management approach. These Councils have identified category management as their preferred strategic procurement model structuring procurement activities around strategies for key categories of spend.
Social Procurement	Social procurement programs are emerging strongly across the sector. There has been a significant rise in interest in how Councils can utilise their procurement activities to have a positive impact on their social objectives. The Geelong based GROW Program has led the development of structured social procurement programs, but other regional and Council programs are now emerging across the state with MAV investigating how they can best support social procurement within the sector.

Objectives

The objective of this paper is to highlight trends, insights and developments of the Victorian Councils during the 2016-17 financial year based on the procurement data Councils have provided. The report centres around findings and potential opportunities from several Key Performance Indicators (KPIs) relevant to the sector. The key KPIs are referred to in the body of this report and focus on the overall sector not the individual Councils.

The KPIs that are introduced are those which will be implemented in the upcoming Procurement KPI Dashboard which will be available to all participating Councils to provide them with a procurement measurement tool to guide local procurement policy and strategy.

Sector Key Performance Indicators (FY17)

Effectiveness	Compliance	Local & Social
Process Efficiency	**High Spend Suppliers**	**Local Spend**
66.1% ▲ -2%	**4.5%** ▲ +0.4%	**29.1%** ▼ -0.4%
$ Transactions below > $1,000	Percentage of suppliers with >$150k spend in prior 12 months	Percentage spend in local area
Procurement Maturity	**Uncontracted Spend**	**Regional Spend**
2.30/5.1 ▲ +12%	**59.6%** ▲ -4%	**43.3%** ▲ +1%
Maturity assessment score	$ Uncontracted spend	Percentage spend in the region

The findings contained within the KPIs mentioned above are based on the Council provided information and data available as at 30 September 2017.
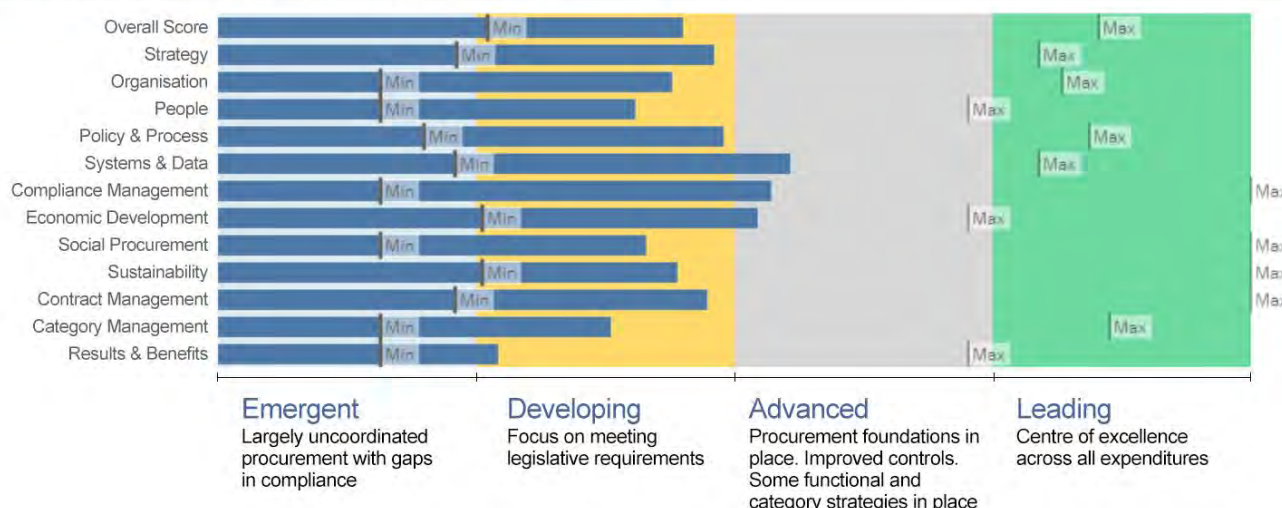
Effectiveness

Procurement Maturity (1/2)

Councils have been measured and benchmarked against leading practice procurement to understand the relative strengths and areas for improvement across all dimensions of procurement.


Sector averages across maturity dimensions

A. Findings

The Victorian local government sector is currently rated overall as a developing sector from an organisational procurement perspective. Whilst the foundational aspects of procurement are generally adequately addressed there is still significant scope across the sector to improve on the strategic and value realisation components of procurement.

In positive signs that procurement practices across the Councils are maturing and developing, there has been a noticeable overall improvement of 12% in the sector wide procurement maturity scores from the established organisational benchmarks. Councils are most mature in the areas of Systems and Data, Compliance Management and Economic Development. The sector performs poorly overall however when it comes to procurement tracking and reporting as highlighted by the Results and Benefits dimension.

Since the initial maturity assessments, the largest improvement has been in the areas of Strategy and Social Procurement whereas there has been almost no additional improvement across the sector in the areas of Sustainability and People (staff development). When compared to the university sector, Councils generally compare favourably most noticeably in Category Management, Sustainability, and Policy & Process dimensions.
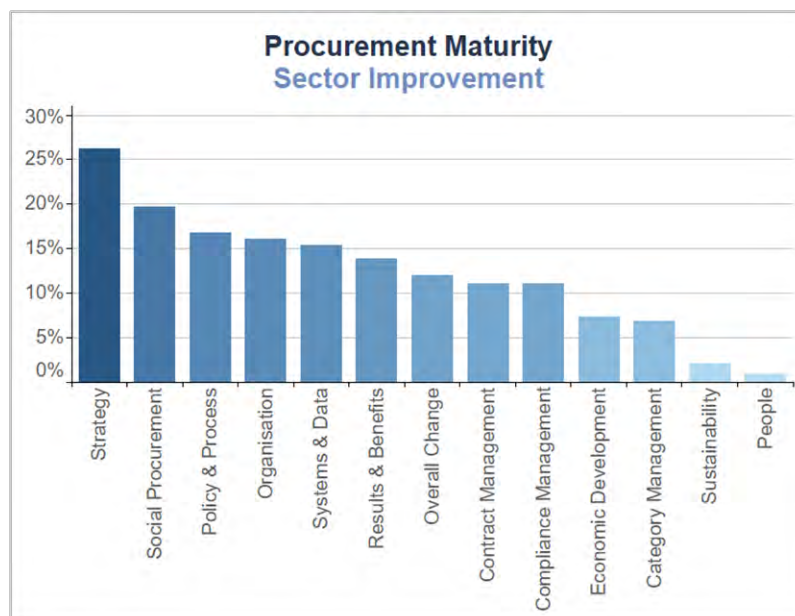
Procurement Maturity (2/2)

B. Opportunities

Sustainability: Most Councils have some sort of policy provisions in place when it comes to Sustainability, however there has been minimal focus and improvement in this area since the initial benchmarking assessments. There is an opportunity for Councils to review their current sustainability framework and provide clear procedural direction to staff on how sustainability is considered as part of the sourcing process then systemising this process if possible.

People: There was also almost no change in the sector maturity scores for the People dimension. Improvement in this area can be relatively easily achieved by implementing a training program for all staff who undertake procurement as part of their roles. MAV Procurement have established a tailored local government eLearning and face-to-face training program designed to address all key development areas of procurement, including contract management.

Category Management: With all participating Councils now having access to detailed procurement analytics dashboards there is a significant opportunity for Councils to utilise these to gain a greater understanding of their categories of spend and identify opportunities for savings and efficiencies. Given the minimal increase in sector maturity in this dimension there is scope for further category management training across most councils to further improve and develop better category strategies.

Results and Benefits: Whilst it was great to see a 14% improvement in the tracking of procurement results and benefits, it is still the lowest scoring of all the dimensions. Participating Councils will soon have access to a KPI dashboard which will enable Councils to improve their procurement performance reporting and tracking of savings. To maximise improvement in this area, Councils will need to ensure they are proactive in implementing a savings tracking program.

Process Efficiency (1/2)

When addressing the question of process efficiency within an organisations procurement framework, a commonly used measure is to determine what percentage of transactions processed are below $1,000 in value.

A. Findings

Transactions valued below $1,000 usually are responsible for approximately two thirds of the transaction volume for the sector, however only represent a small amount of total procurement spend. Monitoring the way in which Councils process their transactions valued below $1,000 has highlighted key areas for efficiency improvements.

Transactions below $1,000[1]	Average	Min	Max	Change[2]
% of total transactions	66.1%	45.5%	80.8%	-2%
% of total procurement spend	5.0%	1.0%	11.4%	-1%
Purchase Card use on transactions less than $1,000[3]	15.1%	2.1%	31.8%	+3%

Due to the high overall cost of processing transactions from end-to-end (approximately $73 via traditional purchase order[4]), often the cost of processing is more than the value of the product or service itself. Payment processing costs are derived by calculating not just the bank fees involved per transaction, but also other variables such as the cost of relevant staff wages to process the transactions, their associated overheads and supporting infrastructure costs.

Analysis of the Councils has highlighted that processing efficiencies are being realised on these low value transactions, however there is still a significant opportunity for improvement across the sector. The percentage of total transactional volume and total procurement spend valued below $1,000 saw a decrease of 2% (transaction volume) and 1% (spend) respectfully.

There was also an increase in Purchase Card use by 3 percentage points on these low value transactions from the Councils who were able to provide two or more years of accurate Purchase Card data. This reflects that Councils with Purchase Cards are seeing the cost saving benefits and consequently increasing their usage.

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[1] Results based on FY 2017 transaction data.
[2] Represents the difference between FY17 and FY16.
[3] Purchase Card findings only reflect data from Councils which have provided two consecutive years of Purchase Card data.
[4] Figures based on Deloitte Touche Tohmatsu B2B Payments 2015 Australian and New Zealand Research.

Process Efficiency (2/2)

B. Opportunities

There are opportunities across many categories for a reduction in transaction volume and costs. Councils by increasing the use of consolidated invoicing and purchase cards can further reduce their processing costs of high volume, low value transactions.

Consolidated invoicing: At 66.1%, the current percentage of total transactions valued below $1,000 is high.

One way Councils can actively reduce this percentage is by establishing a realistic target of below 60%.

There are significant opportunities for councils to negotiate consolidated invoicing arrangements with their high transaction volume suppliers. Consolidated invoicing can often be negotiated on a weekly, monthly or quarterly basis.

REALISTIC TARGET

60%

Total transactions valued below $1,000

Increase use of Purchase Cards: Amongst the Councils with accurate purchase card data, this method of payment is applied on average to just over 15% of their low value transactions. Sector wide approximately one third of councils have accurate purchase card data, highlighting an opportunity for greater emphasis on this method of payment.

With processing cost savings of approximately $53 per purchase card transaction over the traditional purchase order method, each Council will save themselves on average over $100,000 annually in processing costs if they utilise Purchase Cards for just 15% of their transactions valued below $1,000[5].

$53

Savings per transaction by using Purchase Cards

Targeting categories with highest transaction volume: The following categories represent the biggest opportunities for Councils to consider implementing either consolidated invoicing or purchase card programs with their highest transaction volume suppliers:

1. Temporary Labour
2. Catering services and supplies
3. Electricity
4. Plumbing maintenance supplies and services
5. Books and other printed materials

OPPORTUNITIES

Categories with highest transaction volume

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[5] Figures based on Deloitte Touche Tohmatsu B2B Payments 2015 Australian and New Zealand Research.

Compliance

Section 186 of the Local Government Act states that Councils must undertake a competitive tender process to test the market by giving public notice before entering into a contract when the value of the contract is equal to or greater than $150,000 (for goods and services) and $200,000 (for works). If the per transaction spend per supplier is below these thresholds but their aggregated spend is above, they may still fall within the parameters of the tender thresholds. For this review we have addressed spend with suppliers over $150,000 over the 2017 Financial Year.

A. Findings

For this analysis we have grouped all Councils by the size of their total procurement spend. The analysis shows that across all Council groupings the average number of suppliers above the $150,000 threshold increased slightly during the past financial year. Aside from the small councils, the percentage of suppliers above the $150,000 tender threshold represents approximately 6% of total suppliers used. The average spend per supplier noticeably rises as the size of the Council increases.

	Council Category			
	Extra Large Councils ($190m+)	**Large Councils** ($90m - $189m)	**Medium Councils** ($42m - $89m)	**Small Councils** ($0 - $41m)
Average # suppliers above tender thresholds	159	108	75	43
Difference between FY16 & FY17	+7 suppliers	+8 suppliers	+3 suppliers	+2 suppliers
Min # High spend suppliers	134	89	59	26
Max # High spend suppliers	206	129	96	56
Average Total No. of suppliers	2544	1727	1289	1040
Average spend per supplier	$82,357	$65,016	$50,796	$30,081
% of suppliers above tender thresholds	6%	6%	6%	4%

* Refers to suppliers used and spend during the 2017 financial year. Comparisons are made against the same quarters from FY16.

B. Opportunities

When Councils are undertaking their annual legislative compliance review of supplier spend, they may take the opportunity to gain further value by investigating whether the supplier spend aligns to specific category strategies or supplier engagement expectations within the categories.

Due to the trend for the average spend per supplier to rise as Councils increase in size there are also opportunities for larger Councils to review the mix of small and medium sized businesses in their supply chain.

The following sub-categories have been identified as where the most high spend suppliers exist across the sector:

1. Road building services
2. Building construction materials and services
3. Temporary labour
4. Pavement construction and streetscape services
5. General waste collection and disposal
6. Arborists and tree services
7. IT software licensing and maintenance
8. Landscaping services and supplies
9. Commercial cleaning

Uncontracted Spend

A key measure for procurement performance is to have clarity on what percentage of spend is captured under contracted arrangements.

A. Findings

Anecdotally it is widely viewed that local government, due to its legislative requirements, has a large amount of spend which is under some form of contract.

Analysis of the data has shown is that there is a large amount of contract spend that is not readily identifiable or verifiable via data available through existing financial and related systems.

Of the data which has been provided, it was found that overall the amount of spend under contract has gradually been increasing across the entire sector. The largest Councils noticeably have the highest amount of spend under contract and have seen a 43% improvement in the reporting of their contracted spend.

UNDER CONTRACT
All councils
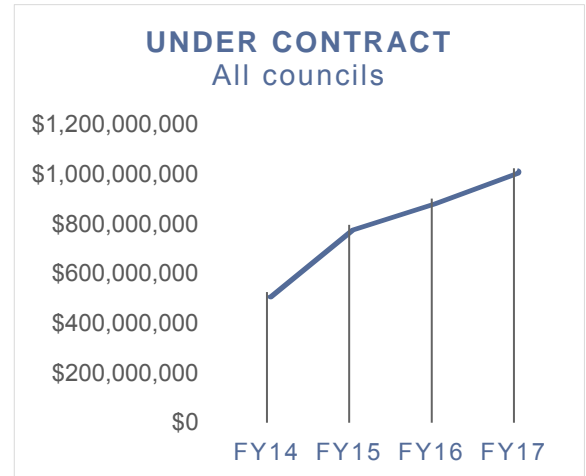
B. Opportunities

Improve contract data quality: Contract data quality can be improved across the entire local government sector. Accounts Payable transaction data often doesn't link with or capture contract information. It is important to have clarity of contract spend to reduce leakage with both contracted and uncontracted suppliers.

With reliable contract data the high spend uncontracted suppliers can also reliably be uncovered across most Councils and an appropriate strategy to address this spend and potntial compliance issues can be developed and actioned.

Legal and conveyancing: The Legal and Conveyancing category is exempt from legislative tendering requirements in Victoria however it represents an opportunity to gain further value for money outcomes for Councils. MAV have identified this as an opportunity for the sector and are currently in the process of establishing contracts in this category which can be utilised by all Councils. During the past financial year there were 377 suppliers in this category across all Councils, however the two leading suppliers represented 54% ($80m) of the total spend. Of the category spend, only 16% has been identified as contracted. It is anticipated that there will be significant opportunities for Councils to reduce their legal costs without sacrificing outcomes by utilising these MAV contracts or similar contracted arrangements.

Local Spend
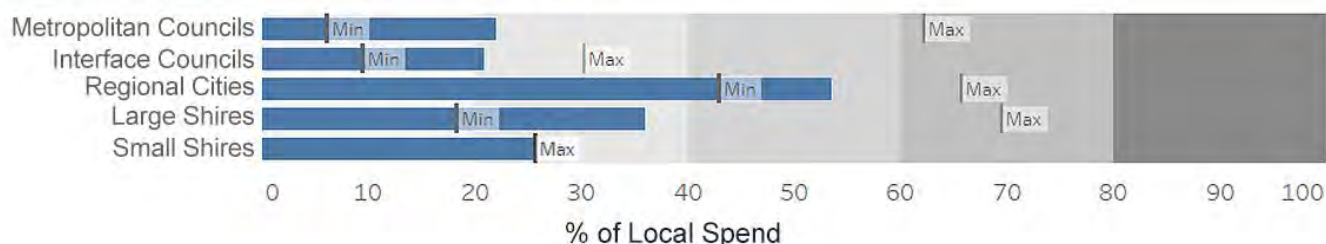
% change of total spend within municipality *(Ave. per Council)*[6]	Down 0.4%
% change of local suppliers used *(Ave. per Council)*	Down 1.1%
% change in total suppliers used *(Ave. per Council)*	Down 2.0%

A. Findings

The procurement maturity dimension of Economic Development, which focusses on local government efforts, policies and procedures to support local suppliers saw the sector maturity score increase by 7% from previous Council benchmarks. Three quarters of the Councils who improved their maturity in the Economic Development dimension saw an overall increase in their local spend, suggesting that a proactive approach to this dimension is generating positive results for Councils.

Regional Cities are easily the leaders when it comes to spending locally. This can be explained partially due to their relative isolation but also due to proactive and effective local spend policies.

The sector however has seen an overall decrease in local spend by 0.4% with only approximately half the Councils seeing improvements in local spend and a third experiencing increases in the proportion of local suppliers used.

It needs to be highlighted that annual local spend can fluctuate dramatically between Councils due to variables largely beyond their control, such as the need to utilise outside suppliers for large construction projects.

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[6] % changes represent the difference between FY17 and FY16.

mav.asn.au
procurement@mav.asn.au

B. Opportunities

Categories where Councils may be able to generate quick quantifiable wins to boost their local spend include Plant & Vehicles and Temporary Labour. This is due to the prevalence of vehicle dealerships and local labour hire branches across most municipalities.

Temporary Labour: Temporary Labour is often sourced from suppliers with head offices based outside of a Councils municipality. Many Councils have local suppliers within their Temporary Labour supply chain therefore an increased emphasis on engaging staff through these labour hire companies with local branches will help boost local spend in this category.

Temporary Labour

- 0.10%
- 43.85%
- 56.05%
- Victoria
- Rest of Australia
- Unknown address
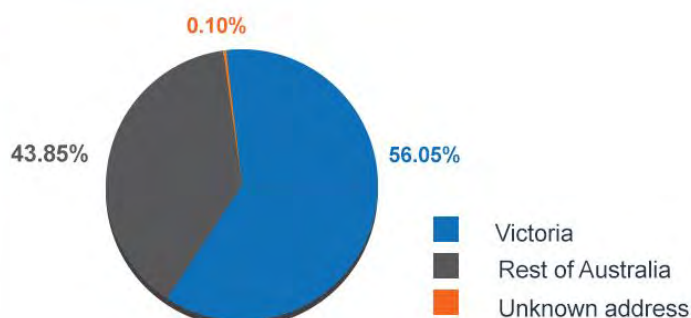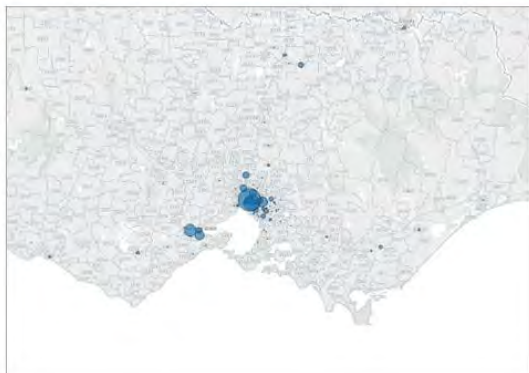
Plant & Vehicles (purchase of cars, vans, utes, trucks and heavy plant): Fleet purchases always comprise large individual purchases. The data highlights there is a wide dispersion of vehicle dealerships throughout Victoria and many Councils are already do a great job in ensuring these purchases remain local. Provided value can be assured, utilising local dealerships for high value plant and vehicle purchases is an easy way for Councils to boost their local spend.

Plants and Vehicles

- 1.55%
- 97.86%
- Victoria
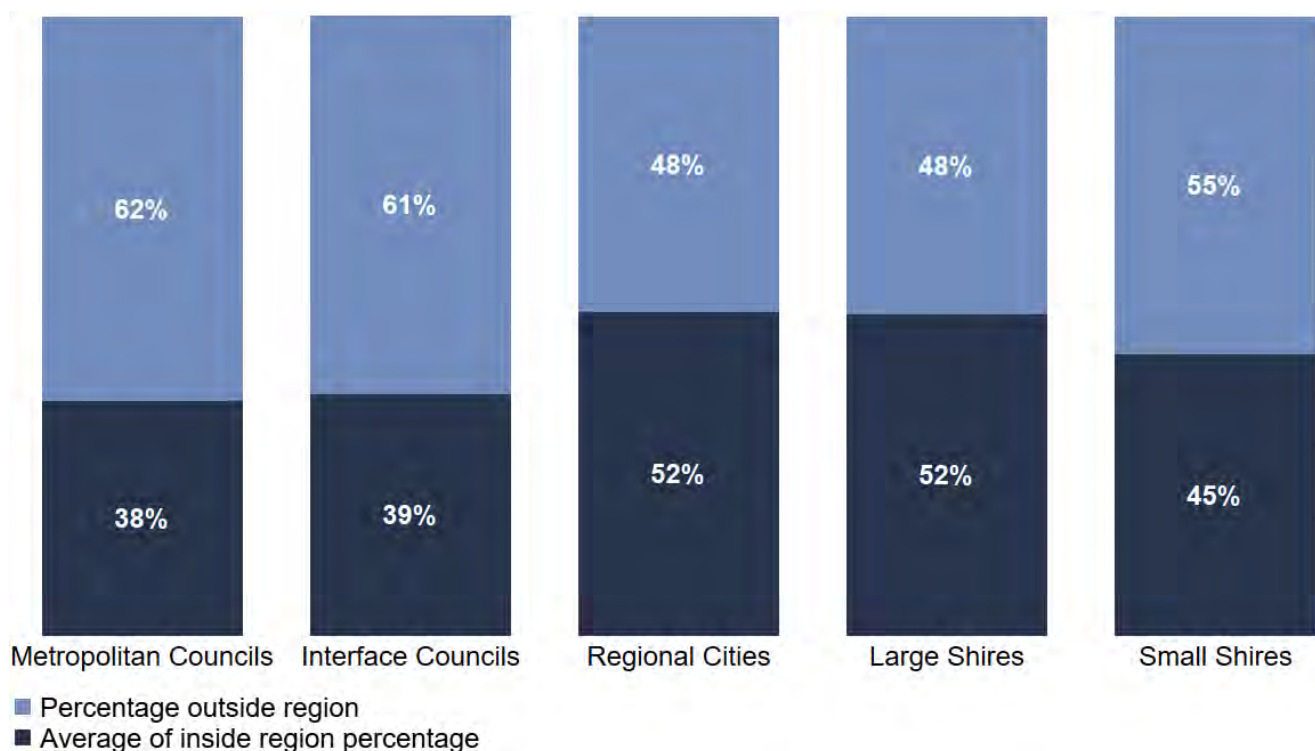- Rest of Australia
- Unknown address
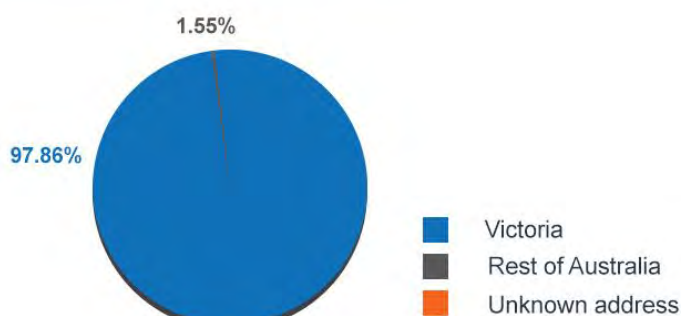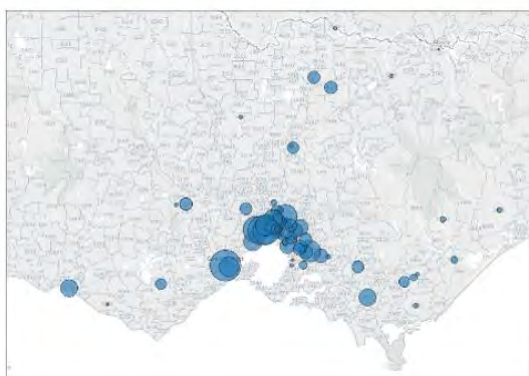
Regional Spend

A. Findings

There are striking differences in the amount Councils spend within their wider regions and the categories they are most likely to engage suppliers regionally. Metropolitan Councils and Metropolitan Interface Councils are far less likely to utilise suppliers within their regional boundaries compared to their regional Council counterparts.

Similar to individual Council local spend data, there are large fluctuations between the regions and Councils when comparing the current and previous years regional spend data. Often these fluctuations are caused by large one-off construction or road projects.

It was positive to see that most groups of Councils increased the percentage of spend within their wider regions over the past financial year.

There have been discussions and progress across several regions focussing on regional collaboration efforts to generate better outcomes for participating Councils and regional suppliers.

| Metropolitan Councils | Interface Councils | Regional Cities | Large Shires | Small Shires |
| 62% / 38% | 61% / 39% | 48% / 52% | 48% / 52% | 55% / 45% |

■ Percentage outside region
■ Average of inside region percentage

% of spend with region (FY17)	Metropolitan Councils	Interface Councils	Regional Cities	Large Shires	Small Shires[7]
Min	21%	30%	22%	34%	N/A
Max	57%	57%	72%	75%	N/A
Change[8]	2%	-3%	0%	2%	9%

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[7] The sample size from Small Shires is too small to draw accurate findings from.
[8] Represents the difference between FY17 and FY16.

B. Opportunities

To increase the percentage of local and regional spend, Councils may identify opportunities through the categories where they have the highest procurement spend that is outside their region. The following categories have been identified as the leading categories for Councils to investigate improving their proportion of local and regional spend. It is noted that some Councils cannot greatly improve local spend in some of these categories:

	Top 10 Spend Categories FY17 ($) - Outside of region[9]				
	Metropolitan	**Interface**	**Regional City**	**Large Shire**	**Small Shire**
1	Building construction materials and services	Building construction materials and services	Road building services	Building construction materials and services	Road building services
2	General waste collection and disposal	General waste collection and disposal	Other civil construction – general	General waste collection and disposal	Arborists and tree services
3	Temporary labour	Other civil construction – general	Electricity	Road building services	Insurance premiums
4	Road building services	Temporary labour	Building construction materials and services	Roads and paving supplies - asphalt and bitumen	Temporary labour
5	Roads and paving supplies - asphalt and bitumen	Road building services	IT software licensing and maintenance	IT software licensing and maintenance	IT software licensing and maintenance
6	IT software licensing and maintenance	Arborists and tree services	Drainage services	Insurance premiums	Building construction materials and services
7	Arborists and tree services	Other landscape works – landscape construction	Insurance premiums	Roads and paving supplies – concrete	Vehicle registration
8	Landfill management services	IT software licensing and maintenance	Architectural and design services	Temporary labour	Sewers and drainage construction
9	Green waste collection and recycling	Green waste collection and recycling	Legal and conveyancing services	Electricity	Mobile phone expenses
10	General recycling	Electricity	Commercial cleaning	Legal and conveyancing services	IT technical services

Regional Collaboration

In every region there are significant opportunities for Councils to collaborate with their regional counterparts to gain further value for money outcomes through regional aggregation.

There have been several regional collaboration efforts in recent years to improve regional local government procurement outcomes. As an example, a recent MAV program bought together the Councils of the Gippsland region, via the Gippsland Local Government Netork. The aim of the program was to:

- Make savings and create efficiencies by sustainably reducing the cost of goods, services and infrastructure,
- Stimulate economic activity across the region through providing broader opportunities for local suppliers, and
- Provide a structured model and regional procurement development plan to strengthen on-going regional collaboration and cooperation.

The group now has a Regional Procurement Development Plan and a Priority Contracts Program in place to assist in achieving these objectives.

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[9] Councils have been classified using the Victorian Local Government Comparator Groups.

Summary

Councils with targeted procurement development programs are experiencing quantifiable improvements in their procurement spend and processes, however there are still significant opportunities across a range of procurement measures for further development.

Many opportunities to further enhance Council procurement outcomes have been highlighted in this report. Councils who continue to commit to procurement development and are proactive in implementing the recommendations for improvement will be best placed to achieve their procurement objectives and positive procurement outcomes.

The upcoming introduction of the Procurement KPI Dashboards will allow Councils to track and monitor their performance improvements over time and benchmark themselves against other participating Victorian Councils. Most of the insights generated throughout this report will be generated onto this dashboard.

What is planned

KPI Dashboards

Through the MAV LEAP program, ArcBlue are current working on the development of a KPI Dashboard for Councils. These dashboards will feature individualised Council specific KPI information for the KPIs mentioned in the body of this paper.

Savings Program KPI
Participating Councils will be requested to provide savings information and be provided tools to assist in the collection of this important information.
The Savings Program KPI will highlight the savings each council has realised through their key procurement processes. Information contained within will allow councils to quantifiably report on where savings have been made, how much they have saved, when they made the savings and will allow for savings to be tracked over time.

Other Available KPI Dashboard Options
Other KPI's and associated Dashboards that are available through ArcBlue include:

- *Invoices before Purchase Orders Dashboards:*
  Details information related to invoices received before Purchase Orders (POs) are raised. Information from this KPI will assist councils to measure compliance with their procurement processes. Providing POs to suppliers before receiving invoices is important as it provides clarity on financial commitments made to suppliers and assists with upcoming budget estimates.

- *Social Impact Dashboards:* The dashboard will aim to assist Councils to quantifiably demonstrate to the positive impacts their procurement spend is having on key social and economic development target areas for the municipality. It will utilise the latest spend data to visualise the local social and economic impact of Council procurement spend.

What else is happening

Growth of eLearning

Over recent months there has been a large increase in the number of councils throughout Australia embracing eLearning to develop and refresh the skillset of their procurement teams.
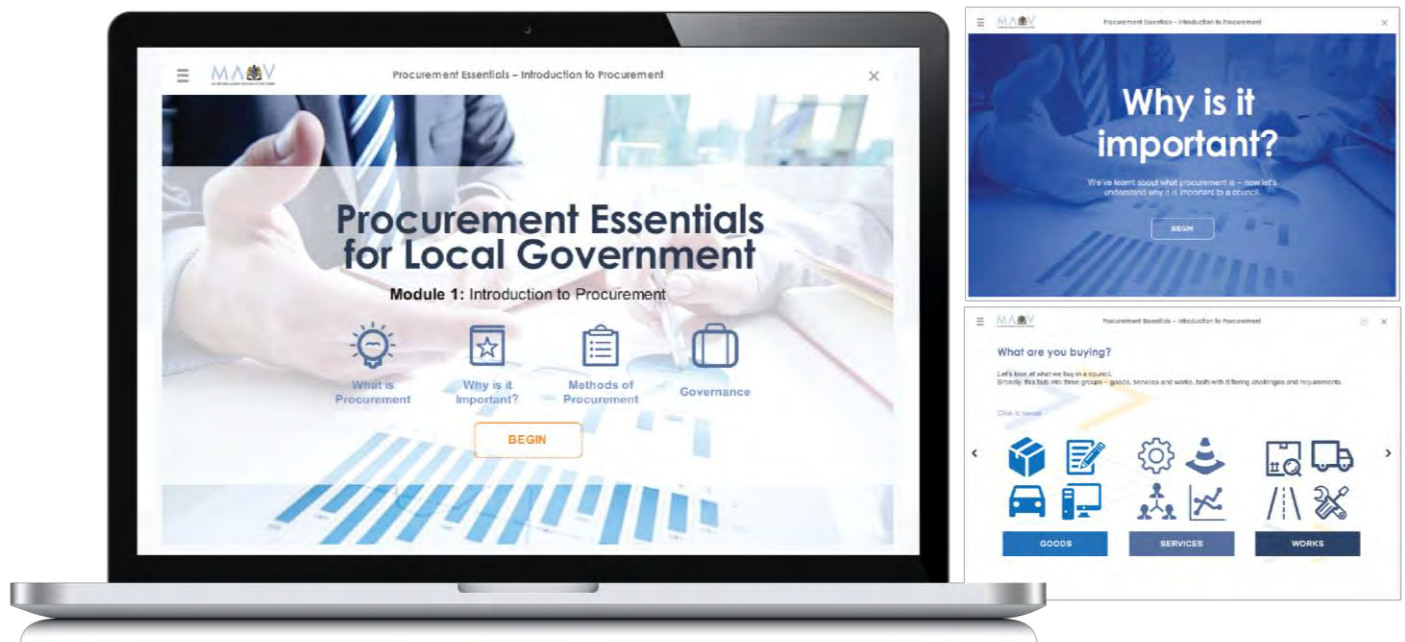
eLearning allows users to tailor their procurement learning in bite size manageable chunks which they can fit into their daily work schedule. Using a mixture of media and interactive tasks the modules are designed to appeal to all learning styles.

There are now 18 procurement development competencies to choose from with more in the development pipeline. ***Procurement Essentials, Contract Management***, and ***Probity for Purchasing and Procurement*** have been the three most popular within the local government sector thus far. MAV has implemented a procurement eLearning Program to complement its face-to-face training program.

Visit the MAV Procurement eLearning for further information:
http://www.mav.asn.au/policy-services/procurement/procurement-training/Pages/elearning.aspx

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Ph: (03) 8400 4220

in partnership with

Application for Ministerial Approval under
Section 186(5)(c) of the *Local Government Act* 1989

Recycling Services

Council

Council Name	West Wimmera Shire

Contact Officer

Name and position	Bernie Maddern
Telephone	03 53927707
Email	contract@westwimmera.vic.gov.au

Contract information

Company name of current recycling services provider	Wimmera Mallee Waste
Full title of current recycling services contract	Contract CMO390 Collection of Recyclables
Estimated cost impact arising from proposed contract variation	$30,000.00 Period 1/7/2017 – 30/6/2018

Please email completed form to local.government@delwp.vic.gov.au by **Friday, 9 March 2018**.

Management and Storage of Combustible Recyclable and Waste Materials - Guideline

Contents

1. About this guideline

1.1 Introduction

This guideline provides practical guidance on how to comply with the Waste Management Policy (Resource Recovery Facilities) ('the Policy'). The Policy requires combustible recyclable and waste materials (CRWM) are managed and stored in a manner to protect the environment and human health from the risk of fire.
Objectives of the Policy are that CRWM is -
   a) managed and stored in a manner that minimises risks of fire that can lead to risks to human health and environment; and
   b) stored for the purpose of transfer, sale, sorting, reuse, recycling, reprocessing or energy recovery.

1.2 Purpose

The guideline provides advice on how CRWM can be managed and stored to minimise risks of fire and the subsequent harm to human health and the environment.

Specifically, this guideline:
   a) outlines requirements for a risk assessment of fire
   b) identifies controls to reduce fire risks and respond to fires
   c) outlines fire management plan requirements
   d) sets out CRWM storage requirements

References to 'occupiers' in this guideline refers to 'occupiers of premises' that are waste and resource recovery facilities.

1.3 What is combustible recyclable and waste material?

CRWM includes:
- paper
- cardboard
- wood
- plastic
- rubber
- textile
- organic material
- refuse derived fuel
- specified electronic waste
- metals; and
- other combustible material which is considered waste.

1.4 Who needs to read this guideline?

This guideline has been written for occupiers of premises that are waste and resource recovery facilities managing or storing CRWM, and include but are not limited to:
- transfer stations
- materials recycling facilities
- resource recovery centres/facilities
- reprocessors (e.g. paper, cardboard, plastic, e-waste)
- recyclers (e.g. metals, tyres less than 5000 waste tyres)
- energy from waste facilities.

NOTE:

This guideline does not apply to premises that are licensed by EPA to store more than 5000 waste tyres.

1.5 Background

This guideline has been prepared by the Environment Protection Authority (EPA) in conjunction with the Country Fire Authority (CFA), Metropolitan Fire Brigade (MFB), Emergency Management Victoria (EMV) and Department of Environment, Land, Water and Planning (DELWP). In preparing this guideline waste industry and resource recovery representatives were consulted.

Stockpiled waste has caused major fires in Victoria, causing harm to humans and the environment. Once ignited, fires can develop rapidly and burn for days, generating hazardous air pollutants (including smoke), oil, run-off and leachate that pollute land, waterways and air. Human health can be impacted from exposure to hazardous air pollutants, thermal radiation and projectiles.

2 Site selection

When choosing a site to store CRWM, consideration must be given to the proximity of the potential site to sensitive receptors and emergency services, such as:
- sensitive reserves or ecosystems
- water catchment areas (e.g. creeks, rivers and dams)
- residential areas, schools and other significant community infrastructure
- access to (salt free) water from town mains or tanks
- fire brigades and other emergency services.

Consideration must also be given to planning overlays that may exist, in particular, but not limited to:
  a) significant vegetation
  b) bushfire management
  c) flood.

An occupier must ensure that the storage of CRWM is in accordance with all state and local laws (such as local planning laws and building regulations). Government agencies that may be able to provide information to assist in establishing waste and resource recovery facilities include:
- local council
- Victorian Building Authority (VBA)
- EPA
- WorkSafe Victoria
- MFB
- CFA
- Sustainability Victoria (SV).

3 Fire prevention

3.1 Safe working procedures and infrastructure

Occupiers must develop, implement and maintain all reasonably practicable safe working practices to minimise the risk of fire.

Safe working practices must be employed as part of a facilities' daily operations.
Occupiers must:
- employ good housekeeping practices, including implementing a regular cleaning program that keeps dust, loose fibre, paper and other combustible materials on and around the premises to a minimum
- ensure there is a mandatory hot work permit procedure for all activities that could cause a fire, such as cutting, welding and grinding type activities
- ensure that inspections, testing and maintenance of electrical equipment (such as vehicles, machinery, security fences) are regularly undertaken
- establish a no open fire policy and restrict smoking to designated areas
- ensure safe and separate storage of gas cylinders, other combustible materials, hazardous materials, dangerous goods or any device/equipment that can easily ignite
- ensure separate and/or designated areas for materials drop-off, materials processing and materials storage activities
- have designated quarantine areas for any hazardous waste, and a procedure and process in place to safely and legally transport the materials to an EPA licensed facility (where applicable)
- ensure that the site layout (including stockpile dimensions and separation distances) is optimal to prevent the occurrence and spread of fire
- ensure all emergency exits, equipment and access points are clear at all times
- ensure that relevant records, documents and procedures, including information on material stored onsite, are subject to formal document management and retained for a minimum of one year
- provide staff with appropriate training on the use, limitations and maintenance of the first aid firefighting equipment provided; and
- security measures to prevent unauthorised access such as security fencing, intruder alarms and CCTV. It is important to ensure these measures are effective outside of the facilities' operating hours.

4 Risk assessment

Occupiers must:
  a) conduct a risk assessment of fire at the premises that:
    i. identifies hazards and their causes;
    ii. analyses consequences;
    iii. evaluates the likelihood;
    iv. determines controls; and
    v. details continuous improving controls.
  b) review the risk assessment at least every six months; and
  c) make the plans available to the relevant fire authorities upon their request. If requested, these plans must be amended to the satisfaction of the relevant fire authorities.

Further information on risk assessments will be made available with this guideline on the web.

5 Fire mitigation

Occupiers must implement controls to minimise risks to human health and the environment from fire.

There is a range of controls that can be used to mitigate and respond to fires. As every site is unique, it is necessary to tailor firefighting equipment and infrastructure. A risk assessment will assist in identifying relevant controls for premises.

As a minimum, occupiers must implement:
  • adequate infrastructure and equipment to supress fire
  • measures to ensure the premises has adequate water supplies
  • liquid run-off containment controls; and
  • measures to ensure the premises has other emergency management equipment.

5.1 Infrastructure and equipment

Occupiers must ensure that effective infrastructure and equipment is in place to supress fire. The risk assessment (see section 4) will inform which of these controls are required. Below is a list of controls which must be considered:
  • access for fire appliances
    » ensure sufficient access for emergency vehicles
  • fire detection and warning systems
    » fire detection systems may include smoke alarms and advanced fire detection systems such as thermal image detection systems
    » fire warning systems include bells and fire alarms to alert people in the event of a fire
  • first aid firefighting equipment
    » examples include water and foam fire extinguishers
  • hydrants
    » special consideration should be given to the site layout to ensure adequate coverage
  • sprinklers
    » premises storing CRWM indoors should consider installing automatically activated vehicle and/or machinery sprinklers.

Occupiers should, as a minimum, comply with the relevant Australian Standard. Refer to Useful links in this guideline for further information.

5.2 Water supplies

Occupiers must take all reasonably practicable measures to ensure that there is adequate water supply and pressure to combat high-risk fire scenarios identified in a risk assessment.

Where town water is unavailable or insufficient it is recommended that:
- A minimum of 2 x 250,000 L tanks are installed to provide an adequate static water supply for firefighting. These should be installed at diagonally opposed positions onsite. Please refer to Australian Standard 2304 *Water Storage Tanks for Fire Protection Systems*.
- Fire pumps be installed for premises in remote locations. Please refer to Australian Standard 2941 *Fixed Fire Protection Installations – Pumpset Systems*.

Water for fire systems should be potable or Class A recycled water and should be salt free.

5.3 Liquid run-off management controls

Occupiers must take all reasonably practicable measures to ensure that the premises can capture and manage liquid run-off from a fire. Some of these measures may include:
- installing onsite bunding; see EPA Bunding Guideline (Publication 347.1)
- installing a drainage basin or catchment pit
- installing gate valves at appropriate positions in the immediate stormwater system; in the event of a fire, these valves can be closed to create an emergency drainage basin
- arrangements to remove fire waste-waters offsite (e.g. eductor pumps)
- pre-approval with the relevant water authority for disposal of fire waste-waters via a trade waste agreement.

5.4 Other emergency management equipment

Equipment onsite may be required to manage and contain emergency situations such as fires. For example, equipment such as excavators may be required to separate burning materials or build containment ponds. Occupiers should:
- ensure that equipment that may be used during fire has the right specifications, for example machinery has heat-proof hydraulic fittings
- provide training to relevant staff on how to operate the equipment in the event of a fire
- ensure that equipment operators are suitably protected from hazards such as thermal radiation, smoke inhalation and falling debris; certified self-contained breathing apparatus should be available and the equipment operators should be trained in their use
- for equipment that is not always available on the premises, occupiers should enter into appropriate arrangements with suppliers so that equipment can be quickly obtained and deployed during a fire

6 Fire risk management

After conducting risk assessments, occupiers must implement controls to prepare for these risks and reduce the likelihood of them occurring. Should a fire occur, premises must have plans in place to respond appropriately.

The AS/NZS ISO 31000:2009 *Risk Management – Principles and Guidelines* standard is the industry benchmark for effective risk management systems. It describes how to implement the findings from the risk assessment to a functioning risk management system.

6.1 Fire management plan

Occupiers must develop a fire management plan to specifically address how they will respond to the fire emergencies identified in the risk assessment. These plans must be made available to the relevant fire authorities upon their request. If requested, these plans must be amended to the satisfaction of the relevant fire authorities.

The fire management plan must include:

- Information on who has responsibilities during a fire and what these responsibilities are. These include fire wardens, people responsible for communications with emergency services and neighbours, and people responsible for critical functions such as shut-off of equipment.
- Training requirements and procedures to ensure all staff are trained in the fire management plan.
- Procedures for raising the fire alarm and notifying emergency services and people onsite. Neighbouring properties and nearby key infrastructure such as airports may also need to be notified.
- Procedures for evacuating persons from the premises, and appropriate training and drills of these procedures.
- Location of all firefighting equipment. This includes hydrants, boosters, fire service tapping(s), fire pumps, static water tanks, extinguishers and stocks of foam concentrate.
- Location of relevant plumbing infrastructure such as drains and isolation valves.
- Location of access points to the premises.
- Location of any hazardous materials or dangerous goods stored onsite.
- Traffic management plans to ensure continuous access for emergency services.
- First aid firefighting plans appropriate to the site and scenario. Different fire scenarios identified in the risk assessment may require different actions, for example embers from a bushfire may require a different response to a burning machine.
- Analysis and planning of water pressure onsite.
- Analysis and planning of required water volume, if mains water is unavailable.
- Deployment procedures for any of the sites equipment that may be used, for example using excavation equipment to transfer burning materials out of a fire.
- Procedures for controlling liquid run-off (see section 5.3).

The fire management plan must be documented and located in the premises manifest.

It is best practice for premises to have an emergency management plan (EMP) that addresses a broader range of risks, responses and controls. Where premises have an EMP, the occupier is not required to develop an additional fire management plan as long the EMP addresses the elements of a fire management plan as set out above.

7. CRWM storage

7.1 Inventory

It is important for waste and resource recovery facilities, in addition to relevant authorities, to understand the types, location and volumes of CRWM managed and stored at these facilities. Maintaining an inventory of materials that are managed and stored onsite informs the risk assessment and controls required to minimise the risk that fire can have on humans and the environment.

Occupiers must:
- record CRWM inventory information on:
  » the types of waste stored and managed at the premises
  » the location of waste managed and stored at the premises
  » the volumes (tonnes or cubic metres) of waste managed and stored at the premises
- ensure that the inventory is maintained on a daily basis and easily accessible.

It is recommended that the inventory record the following:
- date and time that waste is transported into and out of the premises
- generation/source of waste
- details of load number
- vehicle registration
- waste type (e.g. paper, cardboard)
- waste volume/size
- load destination (outgoing loads)
- total volume of waste onsite.

7.2 CRWM storage

Occupiers that manage and store CRWM must take all reasonably practicable measures to prevent fire (and its spread) by maintaining adequate separation distances between stockpiles. Tables 1 and 2 set out specifications for appropriate stockpile dimensions and separation distances between the stockpiles.

Alternative stockpile dimensions: If the dimensions under section 7 are unsuitable for the premises, an alternative stockpile dimension can be used where occupiers can demonstrate a better or equivalent substitute for the dimensions provided in this guideline.

7.2.1 Outdoor storage requirements

This section outlines:
  a) stockpile dimensions
  b) separation distances between stockpiles
  c) distances between stockpiles and buildings
  d) walls between stockpiles and buildings
  e) separation between stockpiles and premises boundary
  f) stockpiles separated by walls.

> NOTE: This section does not apply to actively managed windrows at composting sites.

A. Stockpile dimensions

Occupiers must store CRWM in accordance with the following stockpile dimensions:
  * maximum height of the stockpile for any type of **loose CRWM** is 4 metres.
  * maximum height of the stockpile for any type of **baled CRWM** is 4 metres or 4 bales (whichever is lower in height).
  * stockpile width must not exceed 20 metres for both loose and baled CRWM of any type that is freestanding (i.e. not separated by walls or bunkered), **with easy access from both sides.**
  * stockpile width must not exceed 10 metres for both loose and baled CRWM of any type that is freestanding (i.e. not separated by walls or bunkered), **with easy access from only one side.**

> NOTE: Baled stock should be pyramid stacked where persons access adjacent areas.

45°

4m

20m

20m
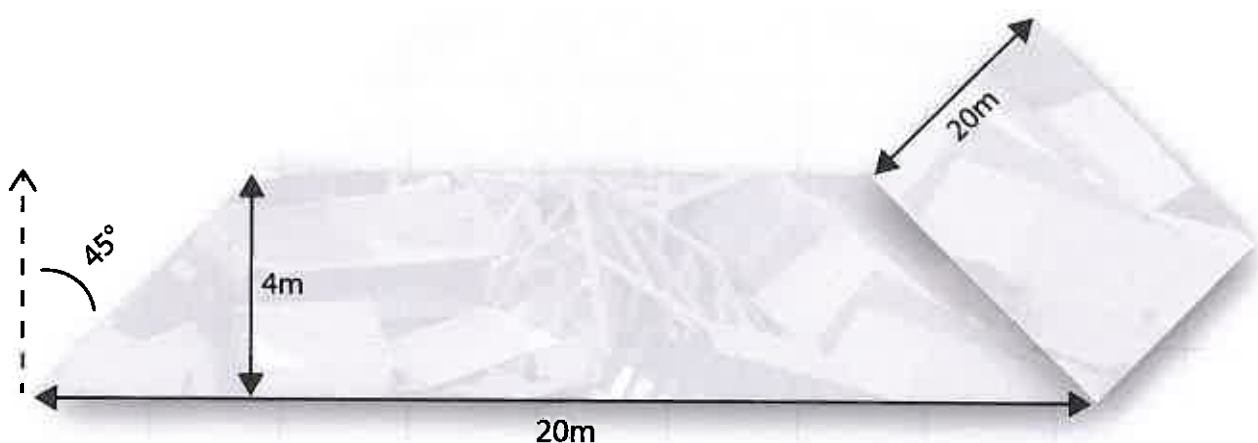
Diagram 1: Schematic diagram of a loose waste stockpile

B. Separation distances between stockpiles

Occupiers must store CRWM so that the minimum distance requirements, as set out in table 1, are complied with.

Table 1 shows the **minimum** distance that occupiers must keep between stockpiles, based on the length of the stockpile.

For the purposes of calculating separation distances, the different types of CRWM that are found in waste and resource recovery facilities have been grouped (shown below) and require different separation distances depending on the burn temperature of the predominant type of CRWM.

Burn temperature 850 - 950°C	Paper, cardboard, wood, textile, organic material, refuse-derived fuel
Burn temperature > 1200°C	Rubber, plastic, specified electronic waste, metals
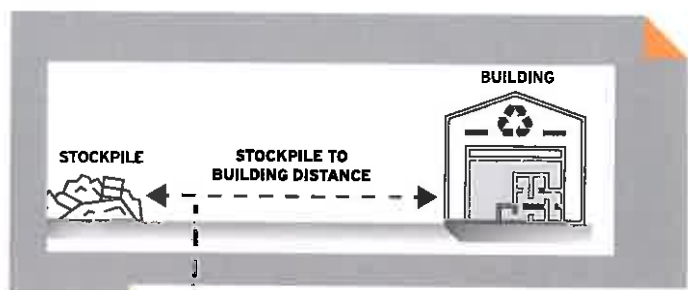
CRWM TYPE			
Paper, cardboard, wood, textile, organic material, refuse derived fuel. Burn temperature 850 – 950°C		Rubber, plastic, specified electronic waste, metals. Burn temperature > 1200°C	
STOCKPILE TYPE			
Free standing loose stockpiles	Free standing baled stockpiles	Free standing loose stockpiles	Free standing baled stockpiles
STOCKPILE LENGTH (METRES)	SEPERATION DISTANCE (METRES)		
10	7	13	15	20
15	9	15	20	24
20	10	17	21	27
30	11	20	26	33
50	13	23	31	40

Table 1: Stockpile length and separation distances for freestanding loose CRWM and freestanding baled CRWM.

C. Distances between stockpiles and buildings

Occupiers must store CRWM so that the minimum distance requirements, as set out in table 2, are complied with.

Table 2 shows the minimum distance that occupiers must keep between a stockpile and a building. **Note** there are different distances depending on the predominant type of waste. Buildings can be onsite or offsite (neighbouring property). The separation distances apply in both cases, including at site boundaries.

	CRWM TYPE			
	Paper, cardboard, wood, textile, organic material, refuse derived fuel. Burn temperature **850 – 950°C**		Rubber, plastic, specified electronic waste, metals. Burn temperature **> 1200°C**	
STOCKPILE LENGTH (METRES)	STOCKPILE TYPE			
	Loose stockpiles	Baled stockpiles	Loose stockpiles	Baled stockpiles
	STOCKPILE TO BUILDING DISTANCE (METRES)			
10	9	12	18	18
15	12	14	22	22
20	13	15	25	24
30	15	17	30	28
50	17	20	38	35

Table 2: Minimum separation distances between a building and CRWM stockpile based on stockpile length, CRWM type and stockpile type.

D. Walls between stockpiles and buildings

When there is a wall between a CRWM stockpile and a building, the occupier must ensure that:
    a) the wall is made of masonry, or other suitable non-combustible material
    b) there is a gap between the wall and building
        i) if the gap allows for firefighting access from both sides, the maximum width of the stockpile is 20 metres (diagram 2A)
        ii) if the gap allows for firefighting access from only one side, the maximum width of the stockpile is 10 metres (diagram 2B).

Diagram 2A: Access from both sides.
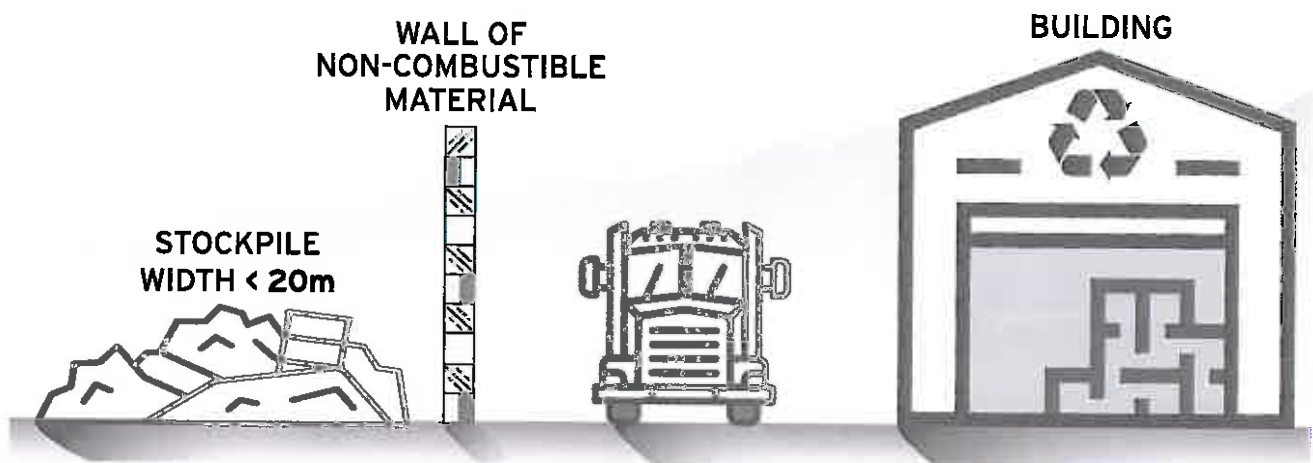
Diagram 2B: Access from one side
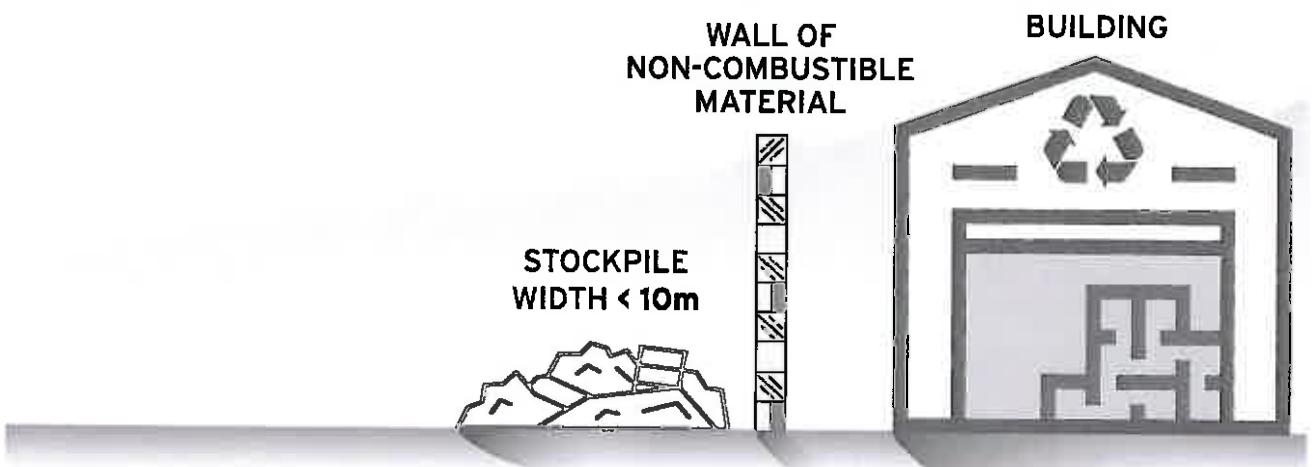
Diagram 2: Separation distances where there is wall between a CRWM stockpile and a building.

E. Separation between stockpiles and premises boundary

Occupiers must maintain an adequate distance between the premises boundary wall and the CRWM stockpiles to allow firefighting access. Occupiers can determine the separation distance most suited for their premises in consultation with the relevant fire authority. Attention must be paid to adjacent land uses, particularly sensitive land uses, when determining the separation distance between the stockpiles and the boundary wall of the premises.

F. Stockpiles separated by walls

For any type of CRWM that is separated by walls or bunkered, the stockpile width must not exceed 10 metres and a space of 1 metre should be left between the top of the stockpile and the ceiling of the bunker.

7.2.2 Indoor storage

This guideline does not provide specific storage requirements for indoor CRWM storage. If an occupier is storing CRWM inside a building or warehouse, the occupier must:

- ensure compliance with relevant local Planning and Building Authority requirements (such as the Building Act 1993 and National Construction Code)
- determine CRWM stockpile dimensions (length, width, height) and separation distances, and maintain controls based on the risk assessment (section 4) to the satisfaction of the relevant fire authority.

Definitions

In this guideline:

Combustible recyclable and waste material or **CRWM** means any paper, cardboard, wood, plastic, rubber, textile, organic material, refuse-derived fuel, specified electronic waste, metals or other combustible material which is considered waste.

Occupier in relation to any premises includes a person who is in occupation or control of the premises whether or not that person is the owner of the premises, and in relation to premises different parts of which are occupied by different persons means the respective persons in occupation or control of each part.

Policy means the Waste Management Policy (Resource Recovery Facilities) 2017.

Specified electronic waste means waste rechargeable batteries, cathode ray tube monitors and televisions, flat panel monitors and televisions, information technology and telecommunications equipment, lighting and photovoltaic panels.

Waste has the same meaning as in the *Environment Protection Act 1970*.

Waste and resource recovery facilities means a facility that receives waste including but not limited to combustible recyclable and waste material for the purposes of storage, transfer, sale, sorting, reuse, recycling, reprocessing or energy recovery.

Useful links

Resource recovery facilities

Guide to best practice at resource recovery centres (Sustainability Victoria), 2009.
sustainability.vic.gov.au/publications-and-research/publications/publications-q-t

Bunding

Bunding (EPA Publication 347.1), October 2015.
epa.vic.gov.au/~/media/Publications/347%201.pdf

Composting

Designing, constructing and operating composting facilities (EPA Publication 1588.1),
June 2017
epa.vic.gov.au/~/media/Publications/ATTMX3PQ.pdf

Tyre storage

Fire services guideline: *Open air storage of new or used tyres - Version 5* (Metropolitan Fire
Brigade & Country Fire Authority), 2014.
cfa.vic.gov.au/fm_files/attachments/Publications/Fire_Services_Guideline_Open_Air_
Storage_of_New_or_Used_Tyres.pdf
Fire services guideline: Indoor storage of new or used tyres - Version 5 (Metropolitan Fire
Brigade & Country Fire Authority), 2015.
cfa.vic.gov.au/fm_files/attachments/Publications/Fire_Services_Guideline_Indoor_Storage_
of_New_or_Used_Tyres.pdf

Energy from waste

Guideline: Energy from waste (EPA Publication 1559.1), July 2017.
epa.vic.gov.au/~/media/Publications/1559%201.pdf

Fire risk management

ISO 31000:2009 *Risk management - principles and guidelines* (International Organization
for Standardization).
iso.org/standard/43170.html
Waste 28 Reducing fire risk at waste management sites - Issue 2 (Waste Industry Safety and
Health Forum (WISH)), April 2017.
wishforum.org.uk/wp-content/uploads/2017/05/WASTE-28.pdf

Relevant Australian Standards (AS)

AS 1841   *Portable Fire Extinguishers*
AS 2441   *Installation of Fire Hose Reels*
AS 2419.1 *Fire Hydrant Installations*
AS 1851   *Routine Service of Fire Protection Systems and Equipment*
AS 2118   *Automatic Fire Sprinkler Systems*
AS 2941   *Fixed Fire Protection Installations– Pumpset Systems*
AS 2304   *Water Storage Tanks for Fire Protection Systems*
AS 1596   *Storage and Handling of LP Gas*
AS 1725   *Chain-Link Fabric Security Fencing and Gates*

Appendix

ONSITE INSPECTION CHECKLIST – WASTE AND RESOURCE RECOVERY FACILITIES

1. General information

Date of visit:	Authorised Officer name:

Site name:

Address:

Suburb:	State:	Postcode:

Contact person(s):	Contact phone #(s):

Contact email(s):

Context of site (circle correct site context): Corporation owned, Dealer, Lease, Franchise

EPA identification number:

2. Company information

Site occupier/duty holder name:

Street address:

Suburb:	State:	Postcode:

Contact person:	Contact phone #:

Contact email:

3. Fire prevention

1.	Regular cleaning programs to remove litter and dust? ☐ Yes ☐ No
2.	Good housekeeping maintained onsite? ☐ Yes ☐ No
3.	Hot works permit procedures in place? ☐ Yes ☐ No
4.	Procedures for regular inspections, testing and maintenance of electrical equipment? ☐ Yes ☐ No
5.	Smoking restricted to designated areas? ☐ Yes ☐ No
6.	No open fire policy? ☐ Yes ☐ No
7.	Safe storage of gas cylinders, dangerous goods, hazardous substances and other combustible materials? ☐ Yes ☐ No
8.	Separate and/or designated areas for materials drop-off, materials processing and materials storage activities? ☐ Yes ☐ No
9.	All emergency exits, equipment and access points are clear? ☐ Yes ☐ No
10.	Records, documents and procedures documented and retained for a minimum of one year? ☐ Yes ☐ No
11.	Staff trained in use of first aid firefighting equipment? ☐ Yes ☐ No

12. Perimeter of the site secured by an effective barrier to prevent unauthorised entry? ☐ Yes ☐ No
13. Arrangements to monitor the site? ☐ Alarms ☐ CCTV ☐ Hired security ☐ Other   Details if "other" ....

4. Risk assessment

1. Risk assessment(s) for fire conducted? ☐ Yes ☐ No
2. If **"Yes"** does the risk assessment for fire: - identify and document hazards, both onsite and offsite? ☐ Yes ☐ No   - analyse the consequences of identified fire scenarios for people, property and the environment (external/internal)? ☐ Yes ☐ No   - analyse the likelihood of identified fire scenarios? ☐ Yes ☐ No   - analyse the optimal and appropriate controls? ☐ Yes ☐ No   - detail continuously improving controls? ☐ Yes ☐ No
3. Date of last review: Within last six months? ☐ Yes ☐ No
4. Relevant fire authority satisfied with assessment(s)? ☐ Yes ☐ No ☐ Not yet reviewed by CFA or MFB

5. Fire mitigation

Emergency access
1. Sufficient access for emergency vehicles? ☐ Yes ☐ No
Fire detection and warning systems
2. Systems in place to detect fires and alert people (staff)? ☐ Yes ☐ No   Provide details of the systems in place (e.g. smoke alarms, alerts for staff, thermal cameras)   ....
Fire protection
3. Adequate first aid and fixed firefighting equipment provided? ☐ Yes ☐ No   Provide details of the equipment available (e.g. fire extinguishers, foam hose reels)   ....
4. Staff provided with training on the operation of firefighting equipment? ☐ Yes ☐ No
5. Ignition sources onsite identified and distanced from flammable/combustible waste stockpiles (includes smoking areas, electrical equipment)? ☐ Yes ☐ No
Hydrants
6. Hydrant system present and maintained onsite? ☐ Yes ☐ No
Sprinkler systems
7. Sprinkler system available and maintained onsite? ☐ Yes ☐ No ☐ N/A
Water supplies

8.	Adequate town/mains water supply with sufficient pressure available onsite? ☐ Yes ☐ No ☐ Other
9.	If "No" and/or no mains water available, is a minimum of 2 x 250,000 L tanks installed diagonally at opposed positions available? ☐ Yes ☐ No Details of "other" controls ....
10.	What is the water quality for firefighting? ☐ Potable ☐ Class A recycled ☐ Salt free

Site containment

11.	Bunding installed onsite? ☐ Yes ☐ No
12.	Drainage basin or catchment pits installed onsite? ☐ Yes ☐ No
13.	Provision to isolate local stormwater infrastructure to capture run-off? ☐ Yes ☐ No
14.	Arrangements to remove fire waste-waters offsite (e.g. eductor pumps)? ☐ Yes ☐ No
15.	Pre-approval with relevant water authority for disposal of fire waste-waters via trade waste agreement? ☐ Yes ☐ No
	In the event of a fire: 16. Can the stormwater access valves be shut off? ☐ Yes ☐ No 17. Can firewater be contained within the site as per the requirements of relevant fire authorities? ☐ Yes ☐ No
18.	Firewater capture capacity requirements have been assessed and structures (bunds, dams etc.) constructed in accordance with modelling/storage requirements? ☐ Yes ☐ No

Other equipment

19.	Equipment such as excavators available onsite to separate burning material? ☐ Yes ☐ No ☐ N/A If "No" are appropriate arrangements in place to acquire the required equipment in a timely manner in the event of a fire? ☐ Yes ☐ No ☐ N/A
20.	Self-contained breathing apparatus (SCBA) available and maintained onsite? ☐ Yes ☐ No ☐ N/A
21.	Relevant staff trained in the use of SCBA? ☐ Yes ☐ No ☐ N/A

6. Fire management plan

Note: A fire management plan can be a subset of a broader emergency management plan.

1.	Staff trained in site fire management plan and emergency response procedures? ☐ Yes ☐ No
2.	Documented fire management plan available and displayed prominently onsite to be used by fire authorities and other personnel? ☐ Yes ☐ No
3.	Documented fire management plan available and located in the site's emergency manifest (red box)? ☐ Yes ☐ No
4.	If "Yes", does the fire management plan: - clearly outline who has responsibilities, and what responsibilities each person has in the event of a fire? ☐ Yes ☐ No - detail procedures for raising the fire alarm and notifying emergency services and people onsite? ☐ Yes ☐ No - detail procedures for evacuating persons from the premises?

	☐ Yes ☐ No
-	identify the location of fire equipment (hydrants, boosters, fire service tapings, fire pumps, static water tanks, stocks of foam concentrate etc.)? ☐ Yes ☐ No
-	identify the location of relevant plumbing infrastructure such as drainage maps and isolation valves? ☐ Yes ☐ No
-	identify the location of access points for fire equipment to the site? ☐ Yes ☐ No
-	identify the location of any hazardous materials or dangerous good stores onsite? ☐ Yes ☐ No
-	detail traffic management procedures to ensure continuous emergency access? ☐ Yes ☐ No
-	detail the first aid firefighting actions appropriate to the site and scenario? ☐ Yes ☐ No
-	include analysis and planning of water pressure onsite? ☐ Yes ☐ No
-	include analysis and planning of required water volume, if mains water is unavailable? ☐ Yes ☐ No
-	detail the deployment procedures for any of the site equipment that may be used in an emergency (e.g. excavation equipment to transfer burning material)? ☐ Yes ☐ No
-	detail the procedures in place to control liquid run-off from a fire? ☐ Yes ☐ No

7. Storage inventory: Combustible recyclable and waste material (CRWM) storage

1. CRWM inventory maintained onsite? ☐ Yes ☐ No

2. Inventory maintained daily? ☐ Yes ☐ No

3. Details of CRWM located onsite:

CRWM type	Location onsite	Quantity
TOTAL		

8. Waste stockpiles

Waste type	No. of stockpiles	Stack type				Access		Stockpile measurements (m)			Separation distance (m)		Compliant with the guidelines (Y/N)
		Freestanding loose (Y/N)	Freestanding baled (Y/N)	Separated by walls (Y/N)	Bunkered loose (Y/N)	From both sides (Y/N)	Only from one side (Y/N)	Height	Length	Width	To other stockpiles	To buildings (if applicable)	

8. Notes / Comments / Follow up actions

Documents required via s55(3)(a) Notice to Produce:

To be followed up:

☐ MFB/CFA –

☐ Council –

☐ WorkSafe –

☐ EPA –

☐ Other –

Notes:

EPA
VICTORIA

Environment
Protection
Authority Victoria

VICTORIA
State
Government