

1. Rationale

- 1.1 The purpose of this policy is to establish the Australian Rural Leadership Foundation's (ARLF) policies and procedures concerning the acquisition of goods and services
- 1.2 The arrangements for securing the services of providers must reflect the ARLF's values which include:
- Respect and engage with First Nations cultural Knowledge systems
 - Embrace a diversity of views, perceptions, backgrounds and cultures
 - Challenge entrenched ideas
 - Foster collaboration and act beyond self
 - Pursue lifelong learning
- 1.3 The ARLF's procurement activities will ensure timely, efficient, and economic procurement, within the guidelines of good business practices that facilitate competition, guarantee the performance of the contract, and eliminate the possibility of unfair competitive advantages.

2. Definitions

ARLF	Australian Rural Leadership Foundation
CE	Chief Executive

3. Policy Statement

- 3.1 The ARLF will use three basic approaches to procurement:
- full and open competition
 - solicitation through preferred providers
 - a sole source basis
- 3.2 The ARLF's approach to the procurement of goods and services, whether it is procuring goods and services from open, restricted or selected markets, or procuring services from individuals with long standing relationships with the ARLF, will address the following principles:
- obtaining the best value for money
 - encouraging competition by ensuring non-discrimination in procurement and using competitive procurement processes
 - promoting the use of environmentally sustainable practices using resources in an efficient, effective and ethical manner
 - promoting the use of suppliers that demonstrate ethical practice for positive social outcomes

- v. promoting the use of First Nations providers and contractors
 - vi. preferencing the use of regional and local suppliers
 - vii. making decisions in an accountable and transparent manner.
- 3.3 The principles will be implemented within the context of:
- i. the nature of the market
 - ii. the performance history of the supplier
 - iii. the relative risk of each proposal
 - iv. the flexibility to adapt to possible change and contract options
 - v. financial considerations including all relevant direct and indirect benefits and costs over the whole procurement cycle.
- 3.4 The processes for securing goods and services will be structured to ensure:
- i. fairness and impartiality
 - ii. consistency and transparency of process
 - iii. use of an appropriately competitive process
 - iv. appropriate security and confidentiality arrangements
 - v. identification and management of actual and potential conflicts of interest.
- 3.5 The approval and execution of procurement transactions on behalf of the ARLF will reflect the authorities endorsed by the Board in the Delegations Framework.
- 3.6 The Chief Executive is responsible for bringing any potential conflicts related to the procurement of goods and services to the attention of the Board of Directors.
- 3.7 The ARLF will procure goods and services as determined time to time as approved by the CE.
- 3.8 The ARLF will use a consultant agreement:
- i. to engage providers (i.e. consultants or independent contractors in business for themselves, not ARLF employees) who perform specialised work that cannot (either because of time or skill level) be performed by ARLF employees
 - ii. to clearly specify the scope of work, rate and terms of compensation, time period, performance management, deliverables, and terms of the agreement.
- 3.9 The ARLF will use project contracts for project-related services which clearly describe the scope of work, the rate and terms of compensation, the period of performance, deliverables, and terms of the agreement when:
- i. other procurement instruments are not appropriate
 - ii. when the contract has specific requirements or when the scope of the work is significant where each party is seeking terms and conditions that will protect both parties.
- 3.10 A cost/price analysis is to be conducted for most procurement actions, particularly those that are considered significant, and those that are filled on a sole source basis. It will comprise of:
- i. an evaluation of the proposal to determine its appropriateness, effectiveness and quality
 - ii. an evaluation of the provider's capacity to meet each element of a proposal

- iii. an assessment of the provider’s capability, knowledge of Foundation’s programs and prior history of fulfilling contracts
 - iv. a comparison of cost, quotations, market prices, and other cost-related elements.
 - v. A minimum of two written quotes for procurements to the value of \$10,000 and greater.
- 3.11 The ARLF reserves the right to award purchase orders, consultant agreements, or project contracts on a sole source basis when there is:
- i. a predominate capability, significant prior knowledge of the ARLF’s programs and program philosophy
 - ii a prior history of fulfilling similar assignments in a successful and timely manner.
- 3.12 The ARLF will prepare, maintain and regularly update a list of qualified and capable providers and contractors with the skills required to contribute to its programs from the open market and among its Fellows.
- 3.12.1 The Providers List may be used to solicit the provision of goods and services from preferred providers.
- 3.13 For most procurement actions, the ARLF shall maintain a secure record that contains:
- i. a signed copy of the procurement instrument (e.g., contract, consultant agreement or purchase order);
 - ii. any amendments to the procurement instrument;
 - iii. copies of all bids and offers
 - iv. all purchase specifications including delivery requirements
 - v. cost/price analysis that was the basis for the award cost or price;
 - vi. as applicable, a written justification as to why sole source or minimum competition approach to procurement was used
 - vii. explanation as to why the winning provider was selected.
- 3.15 When dealing with procurement, the ARLF requires full and open disclosure from its employees and board members in order to avoid any conflict of interest or the appearance of a conflict of interest.
- 3.15.1 If there is the doubt as to the propriety of a procurement action, the Chief Executive should be advised immediately.
- 3.15.2 ARLF employees and board members must at all times provide full disclosure of their actions or relationships with prospective vendors, contractors, or consultants.
- 3.15.3 ARLF employees and board members shall not engage in conduct resulting in a real, potential, or apparent conflict of interest. A conflict of interest may arise, whether isolated, recurring, or continuous, when a procurement option provides a direct or indirect financial advantage to the employee, their spouse, parent, child, friend or business partner.
- 3.15.4 Employees and board members shall not participate in the selection, final choice, or management of a contract, if a real, potential, or apparent conflict of interest is involved.

4. Scope and application

This policy applies to employees and board members of the ARLF.

5. Responsibilities and ownership of this policy

5.1 It is the responsibility of the Chair of the Board to manage the conflicts of interest of Board members.

Policy approval	ARLF Board of Directors
Implementation	Chief Executive, Director Finance and Operations
Review	Chief Executive, Director Finance and Operations
Improvement	Chief Executive, Director Finance and Operations

6. Resources

No additional resources will be needed, although some changes in work practices and program guidelines may be required.

7. Review schedule

Initially	August 2008 (Board meeting 62)
Periodic	Every two years (June 2014, April 2016, March 2020)
Recent review	11 November 2021

8. Related documentation

ARLF Conflict of Interest Policy
Corporations Act 2001
Trade Practices Act
Freedom of Information Act
Anti-discrimination and Equal Opportunity
National Competition Council Guidelines
Independent Commissions against Corruption Guidelines