

Policy name	Contractor and Preferred Supplier Management Policy
Policy number	QM-POL-016
Scheduled review date	May 2023
Version	3.0
Responsible S-MT	Quality Management

Purpose

The purpose of the policy is to document the Organisation's approach to:

- i. procurement and preferred suppliers; and
- ii. meeting its duty to ensure the health, safety and wellbeing of *workers*, which includes *contractors* and *suppliers*.

Policy statement

General

1. The definitions at the end of this policy must be read to support understanding. Where definitions are required, the word/s will be in italics.
2. This policy covers *contractors* and *suppliers* including their employees and subcontractors undertaking work or providing goods and services for the *Organisation*.
3. This policy is to be delivered in conjunction with **QM-POL-009 Expenditure and Delegation Policy** and the **FIN-POL-001 Capital Expenditure Policy**.
4. The Organisation is committed to providing a safe work environment that extends to selecting *contractors* and *suppliers* that are willing to comply with the *Organisation's* work, health and safety requirements.

Preferred suppliers and contractors

5. *The Organisation* is committed to using *contractors* and *suppliers* that are:
 - a. local to the communities where we operate;
 - b. *Aboriginal and Torres Strait Islander businesses*;
 - c. socially responsible and ethical that align with the Organisation's beliefs;
 - d. willing to abide by all laws and regulations;
 - e. committed to providing quality products and services;
 - f. competent to control their own system of work and qualified to perform the duties specified in the contract in a safe manner; and

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- g. accessible, affordable, efficient and offer value for money;
6. *Contractors and suppliers* must be willing to abide by the *Organisation's* health and safety requirements and maintain relevant insurances, clearances and certifications to undertake the work they are contracted to do in accordance with **Table 2: Contractor and Supplier Requirements Table.**

Limited responsibility

7. The *Organisation* does not accept responsibility for *contractors and suppliers* when a government organisation assumes responsibility for the appointment of their own approved *contractor or supplier* (i.e. local government or the Commonwealth Department of Defence). It is the responsibility of the government organisation to ensure *contractors and suppliers* meet their obligations under Australian Work Health and Safety (WHS) legislation, Work Safe and Fair Work requirements.

Expenditure Approvals

8. **Table 1 Procurement Delegations** identifies the requirements associated with the value of the purchase.
9. The *Quality Management Team (QMT)* can adjust requirements on a case by case basis (when necessary) in writing (i.e. QMT minutes of meetings) with the approval of the Chief Executive Officer (CEO).
10. In rural and remote areas where there are limited options in sourcing *contractors and suppliers* the CEO may approve one quote.
11. Approval for authorisations and payments must comply with the requirements set out in this policy and associated policies.
12. If the item is not a part of an approved budget, the CEO must approve the expense.

Table 1: Procurement Delegations

Amount	Requirement
AUD \$0-\$3,000	No quotes or call for tenders required. Must be within an approved budget.
AUD \$3,000-\$50,000	OTCS Central Services Service directors or managers and above must obtain two quotes from possible suppliers or contractors and submit to line management as required.

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Amount	Requirement
	<p>One Tree Defence Childcare Unit (OTDCU) Service directors and above must obtain three quotes from possible suppliers and submit to line management as required.</p> <p>If it is a capital expenditure item and a part of the building or equipment maintenance, worth over \$5,000 approval from the Defence Community Organisation is required.</p>
Over AUD \$50,000	<p>Unless otherwise decided by the QMT expenditure over \$50,000 requires a formal Request for Proposal (RFP).</p> <p>The QMT is responsible for overseeing the process.</p> <p>The CEO must sign off on all RFP or delegate a general manager or above to sign off on their behalf in writing (i.e. email).</p>

Preferred supplier or contractor agreements

13. Wherever practicable a signed agreement is required. The *Organisation* can confirm the requirements of a preferred supplier or contractor in writing without a signed agreement (i.e. letter or email).
14. Signed agreements can be in the form of a Memorandum of Understanding (MOU), a contract, proposal or agreement. Such agreements are deemed to be Preferred Supplier Agreements (PSAs).
15. All goods, services and conditions must be clearly documented in the PSA, email or letter with a clear scope of works.
16. A PSA in the form of a proposal should clearly state it becomes the agreement once duly signed.
17. All agreements must be signed by the CEO or a representative nominated by the CEO in writing.

Records management

18. PSAs and all other documentation required by this policy will be emailed to ISO@onetree.org.au to be saved to the Central Filing System (CFS).
19. The approved copy of PSAs, letters or emails will be forwarded to finance@onetree.org.au.
20. Finance will ensure all *preferred providers* are entered onto *Navision* with the code PSA.

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21. All *Aboriginal and Torres Strait Islander businesses* (whether a *preferred provider* or not) will be identified in Navision with the code IE.
22. Records will be managed in accordance with **QM-POL-001 Records Management Policy**.

Approval and review of contractors and preferred providers

23. **Table 2 Contractor and Supplier Requirements Table** (below) documents who can approve *contractors* and suppliers.
24. The Quality Management Team (QMT) is responsible for approving any new *preferred contractors and suppliers* and for monitoring compliance in accordance with **Table 2 Contractor and Supplier Requirements Table**.
25. Staff must declare any *conflict of interest* related to purchasing goods or services to the CEO. In the case of the CEO having a *conflict of interest* the decision to purchase goods or services must be approved by all executive directors or the Board.
26. Feedback or complaints regarding the performance of a contractor or supplier, including breaches or failure to perform to the required standard is to be managed in accordance with the **QM-POL-002 Feedback and Complaints Policy**.
27. The performance of contractors and suppliers is to be evaluated as per **Table 2 Contractor and Supplier Requirements Table** on the **QM-FOR-033 Contractor Performance Evaluation Form** as follows:
 - a. at the end of a short-term one-off contract or supply arrangements;
 - b. at least every three years for long term contracts and supply arrangements; and
 - c. more often at the discretion of the executive directors or the CEO (i.e. in response to negative feedback or complaints)

Inductions

28. Contractors and suppliers will receive health and safety information appropriate to the level of risk associated with the work they will be conducting at/or for the *Organisation*. Refer to **Table 2: Contractor and Supplier Requirements Table**.

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29. A *key contact* will be appointed at a location where a *contractor* or *supplier* is providing goods or services. At services the *key contact* will usually be the director or manager, or someone appointed by the director or manager. The *key contact* at metropolitan offices will be a general manager or above and at regional offices a regional manager or above.

30. *Key contacts* are responsible for ensuring:

- a. *contractors* and *suppliers* are inducted and supervised (as required); and
- b. *all required paperwork* is emailed to ISO@onetree.org.au

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Table 2: Contractor and Supplier Requirements Table

	General Supplies and deliveries Level 1	Small local contractors, suppliers and sole providers Level 2	Minor works Level 3	Long term consultants and suppliers Level 4	Major works Level 5	Government appointed contractors or suppliers Level 6
Examples of application	Office supplies, equipment supplies and deliveries.	Providing gardening, cleaning, pest control, one-off minor maintenance work, electrical, plumbing, technicians or administration support on a short-term or one-off basis.	Building maintenance, repairs, various trades including electrical, plumbing, or technicians that do not require a risk management plan.	Ongoing consultants and contractors such as: <ul style="list-style-type: none"> - external IT support - financial auditors - professional services (i.e. coaching, financial services etc.) - across organisation contractors and suppliers. - Approved preferred suppliers 	Building modifications, major ground works, high risk construction activities, licenced work (working at heights etc) where a specific risk management plan is required.	See Clause 6.
Approved by	Directors, managers or above	Directors, managers or above	Directors, managers or above	QMT	QMT	Government body

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	General Supplies and deliveries Level 1	Small local contractors, suppliers and sole providers Level 2	Minor works Level 3	Long term consultants and suppliers Level 4	Major works Level 5	Government appointed contractors or suppliers Level 6
Induction	Not required.	Director or manager automatically assigned as the <i>key contact</i> . Site induction only.	Director or manager automatically assigned as the <i>key contact</i> . Site induction only.	Appointment of a <i>key contact</i> . Completion of QM-CL-007 Contractor Induction Checklist and Declaration or the online induction (via the website).	Appointment of a <i>key contact</i> . Completion of QM-CL-007 Contractor Induction Checklist and Declaration or the online induction (via the website).	Site induction as required.
Required documentation and risk controls	Not required. Ensure a safe level of supervision and measures for delivery of activities. Provide clear instructions on delivery points. At service level:	Written agreement for gardeners, cleaners and short-term administration staff. Assigned key contact. Ensure appropriate level of supervision. Provide clear instructions on delivery point.	Signed agreement or quote. Signed copy of QM-CL-007 Contractor Induction Checklist and Declaration . Assigned key contact. Ensure appropriate level of supervision. At service level:	Signed agreement or PSA. Copy of certificate of currency for relevant insurances. Licence to operate (or equivalent) as required. Signed copy of QM-CL-007 Contractor Induction Checklist and Declaration .	Signed agreement or PSA. Copy of certificate of currency for relevant insurances. Licence to operate (or equivalent) as required. Signed copy of QM-CL-007 Contractor Induction Checklist and Declaration .	Responsibility of government body documented in an agreement. At service level: - must not be left alone with children or clients; and - the director or manager is the key contact.

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	General Supplies and deliveries Level 1	Small local contractors, suppliers and sole providers Level 2	Minor works Level 3	Long term consultants and suppliers Level 4	Major works Level 5	Government appointed contractors or suppliers Level 6
	<ul style="list-style-type: none"> - must not be left alone with children or clients; and - the director or manager is the key contact. 	<p>At service level:</p> <ul style="list-style-type: none"> - must not be left alone with children or clients; and - the director or manager is the key contact. 	<ul style="list-style-type: none"> - must not be left alone with children or clients; and - the director or manager is the key contact. 	<p>Assigned key contact.</p> <p>At service level:</p> <ul style="list-style-type: none"> - must not be left alone with children or clients; and - the director or manager is the key contact. <p>Note: Site (or location) induction are not required if contractors are primarily working remotely.</p>	<p>Assigned key contact.</p> <p>At service level:</p> <ul style="list-style-type: none"> - must not be left alone with children or clients; and - the director or manager is the key contact. 	
Sign in	Nil unless entering an approved service or controlled area.	Nil unless entering an approved service or controlled area.	Nil unless entering an approved service or controlled area.	Nil unless entering an approved service or controlled area.	As per work plan agreement.	Nil unless entering an approved service or controlled area.
Evaluation (Review)	Not required.	Not required.	Evaluated based on feedback and complaints.	Long term contractor's completion of QM-FOR-033 Contractor	In accordance with the terms set out in contract.	Review of feedback and complaints.

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	General Supplies and deliveries Level 1	Small local contractors, suppliers and sole providers Level 2	Minor works Level 3	Long term consultants and suppliers Level 4	Major works Level 5	Government appointed contractors or suppliers Level 6
	Evaluated based on feedback and complaints.	Evaluated based on feedback and complaints.		<p>Performance Evaluation Form at least every three years or more often if any issues/safety concerns identified.</p> <p>Review of feedback and complaints.</p> <p>Professional services as determined in the agreement.</p>	<p>Completion of QM-FOR-033 Contractor Performance Evaluation Form at the conclusion of the contract.</p> <p>Review of feedback and complaints.</p>	

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Contractor and Supplier responsibilities

31. A *contractor* must:

- complete and abide by online and/or site inductions including the QM-CL-007 Contractor Induction Checklist and Declaration (as requested);
- provide evidence of compliance to qualifications, clearances and insurances (as requested);
- take reasonable care for their own health and safety;
- comply with obligations under Australian Work Health and Safety (WHS) legislation;
- consult with us about WHS risks and risk management where major works are being undertaken;
- comply with contract specific WHS requirements;
- understand failure to achieve WHS standards can result in ending the contracted services;
- appoint and be responsible for people providing contractor activities;
- identify processes to deal with safety issues during the contract; and
- report any workplace incidents or injuries.

32. A *supplier* must:

- supply equipment and goods in a safe condition; and
- supply instructions on how to use equipment and goods safely.

Related party purchases

33. Related Party Transactions A related third-party is deemed to be any person who is a close personal, family, or business relationship presenting a conflict or perceived conflict of interest. Staff must declare any conflict of interest related to purchasing goods or services. Any proposed purchase or engagement of services from related parties must be approved by the CEO. In the case of a proposed purchase or engagement of services from a related party of the CEO must be approved by the executive directors.

Reporting requirements

Refer to **QM-FOR-014 Organisational Chart**.

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Legislation compliance

Refer to **QM-SS-001 Regulations and Legislation Register Spreadsheet**.

Implementation

The *Organisation* will:

- ensure compliance with this policy and will as far as reasonably practicable exercise necessary precautions for the health and safety of all persons conducting business or an undertaking for the *Organisation*;
- commit to engaging the most competent and qualified contractor or supplier in accordance with this policy to perform the duties specified in the contract in a safe manner;
- provide safe entry and drop off points for suppliers of goods;
- ensure the performance of contractors and suppliers is monitored and evaluated (in accordance with this policy) at least every three years and more often as required; and
- promote the use of Aboriginal and Torres Strait Islander businesses.

The Quality Management Team will:

- approve new contractors and suppliers in accordance with this policy;
- manage the procurement process for any expenditure over \$50,000 that requires a RFP;
- develop, oversee and monitor RFPs;
- monitor the performance of contractors and suppliers through feedback and complaints and the **QM-FOR-033 Contractor Performance Evaluation Form**; and
- ensure decisions are made in accordance with this policy, the *Organisation's* Code of Ethics and values.

The CEO will:

- approve related party purchases according to this policy by signing the **QM-FOR-015 Approval for Related Party Purchases**.

Executive directors will:

- make decisions related to the engagement of contractors or suppliers where the CEO has a conflict of interest;
- monitor feedback and complaints related to contractors and suppliers and report any concerns to the CEO and the QMT; and

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- ensure quotes are acquired in accordance with this policy.

Executive manager business development will:

- be responsible for overseeing and ensuring staff, contractors and suppliers comply with the requirements of this policy;
- ensure the finance team are advised of *Aboriginal and Torres Strait Islander businesses* and PSP contracts, agreements;
- ensure matters related to this policy are included on the QMT agenda for meetings; and
- ensure all required documentation is filed and managed in the CFS.

ISO team (and anyone assigned the task) will:

- monitor ISO@onetree.org.au email address for documents required as a part of this policy;
- name and upload related documents to the CFS in accordance with this policy at least weekly;
- check any new **QM-FOR-033 Contractor Performance Evaluation Forms** and advise the QMT of any failure to meet requirements;
- audit the related CFS file at least annually and archive out of date documents; and
- follow-up on missing documents and advise the QMT.

General Managers Finance will:

- enter all *contractors and suppliers* into *Navision* ensuring correct coding in accordance with this policy; and
- keep copies of invoices in accordance with finance policies.

Service directors or managers will (in accordance with this policy):

- engage suitably qualified and/or licensed contractors to perform routine work;
- ensure a **QM-POL-004 Operational Risk Management Plan** is in place as required;
- act as the *key contact*;
- undertake onsite inductions;
- ensure the **QM-CL-007 Contractor Induction Checklist Declaration** is completed;
- ensure contractors and suppliers are supervised around children or clients;
- notify staff, visitors and clients of any work hazards due to work being carried out by a contractor;

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- report any feedback and complaints about *contractors* or *suppliers* in accordance with **QM-POL-002 Feedback and Complaints Policy**; and
- complete **QM-FOR-033 Contractor Performance Evaluation Form** and email any requested documents to ISO@onetree.org.au.

A *key contact* will:

- induct *contractors* (and *suppliers*) in accordance with this policy;
- ensure *contractors* (and *suppliers*) meet the requirements of this policy including completing online or face to face inductions and the **QM-CL-007 Contractor Induction Checklist Declaration** (as required);
- be responsible for the *contractor* (or *supplier*) when they are on site including being their primary contact;
- provide feedback and complaints (as appropriate) with regards to *contractors* and *suppliers*;
- complete **QM-FOR-033 Contractor Performance Evaluation** at the conclusion of a job (short-term one-off contracts or supply) or at least every three years for long terms *contractors* and *suppliers*; and
- check compliance documentation as required.

Staff will:

- provide feedback and complaints (as appropriate) with regards to *contractors* and *suppliers*;
- notify any concerns about job safety;
- limit access to only those carrying out the work;
- limit access to client areas as far as practicable;
- ensure adequate levels of supervision and the safety of children, clients and staff;
- ensure they declare any related party purchases by submitting the **QM-FOR-015 Approval for Related Party Purchases Form** for approval to the CEO;
- comply with the relevant **QM-POL-004 Operational Risk Management Plan**; and
- request a contractor ceases work immediately if there are any concerns around safe work practices.

Related policies, forms and checklists

QM-CL-007 Contractor Induction Checklist Declaration

QM-FOR-001 preferred Supplier Agreement Form

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QM-FOR-015 Approval for Related Party Purchases

QM-GU-008 OTCS Preferred Suppliers and Contractors List

QM-FOR-033 Contractor Performance Evaluation

QM-POL-004 Operational Risk Management Plan

QM-PRO-008 Infectious Disease Management Procedure

QM-PRO-010 Records Management Procedure

QM-PRO-012 Contractor Management Procedure

QM-SS-002 Contracts Register

Definitions

Aboriginal and Torres Strait Islander (ATSI) businesses: refers to businesses that are majority owned, controlled and managed by Aboriginal and Torres Strait Islander people.

Contractor: A person or company that undertakes an agreement or contract (verbal or written) to provide labour to perform a service or do a job at any of the *Organisation's* services.

Examples include but are not limited to:

- general maintenance or repair work such as gardening, plumbing, electrical services;
- small or major construction, refurbishment work;
- evaluation or review of a product or service; and
- IT support and services.

Key Contact: Is the person responsible for engaging a contractor or supplier. At service level this is usually the director or manager. At regional office level it is a regional manager or above. At state offices it is a general manager or above.

Navision: Accounting software used by the Organisation.

Quality Management Team: a team of senior management selected by the CEO to oversee quality management of the Organisation.

Organisation: One Tree Community Services Incorporated

Preferred supplier: a supplier of goods and/or services with which the Organisation has entered into a formal agreement.

Related Party (or parties): any person(s) who is a close personal, family, or business relationship presenting a conflict or perceived conflict of interest

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Supplier: A party that supplies goods or equipment to the *Organisation*.

Supply Nation: A national directory of verified Aboriginal and Torres Strait Islander businesses.

Worker is a person who carries out work in any capacity for a person conducting a business or undertaking.

Version History

Version <i>(ISOC only)</i>	Submitted by	Change Date	Approver <i>(QMT/CEO)</i>	Approval Date	Description
1.0	Lyn Levy / Karri Hillier	01/05/2020	Pathfinders/ Karri Hillier	21/05/2020 21/05/2020	First release version.
2.0	Karri Hillier	09/06/2020	Pathfinders/ Karri Hillier	17/06/2020 17/06/2020	Combined QM-POL-007 Procurement Policy, QM-POL-006 Preferred Supplier Policy and QM-POL-016 Contractor Management Policy. Updated the list of related documents.
3.0	Alice MacPhillamy	05/05/2021	QMT/ Pathfinders	05/05/2021	Included related party purchases approval requirements.