

Ensuring Ethical Procurement Supplier Fact Sheet

Overview of the Supplier Code of Conduct

The Victorian State Government (the State) is committed to ethical, sustainable and socially responsible procurement.

The State views its suppliers as partners and cares about the way they do business when providing goods or services to, or on behalf of, the State.

The Supplier Code of Conduct (the Code) outlines ethical standards in behaviour that suppliers, as partners, will aspire to meet when conducting business with the State.

The State seeks to work with its suppliers to meet and exceed minimum expectations as outlined in the Code and continuously strives to improve the standard of its business practices.

The State's expectations do not supersede or alter the supplier's regulatory and contractual obligations but rather work in conjunction with these obligations.

Commencement of the Code

From 1 July 2017, the Code will be applicable to all general government sector contracts, agreements and orders for the supply of goods and services and construction works and services.

Suppliers are required to commit to meeting the minimum ethical standards in the areas of:

- A. Integrity, ethics and conduct
- B. Conflict of interest; gifts, benefits and hospitality
- C. Corporate governance
- D. Labour and human rights
- E. Health and safety
- F. Environmental management

Refer to the Code for more information.

Benefits of the Code:

- ✓ seeks to lift the standard of ethical behaviour throughout the supply chain;
- ✓ clearly articulates the State's values and expectations of suppliers, and seeks supplier support;
- ✓ requires minimal administrative changes by suppliers as it is consistent with current legislative requirements and complements current procurement practice; and
- ✓ provides guidance and advice for suppliers to report instances of misconduct, unethical behaviour or suspected corruption or if a State employee has breached the Victorian Public Sector Code.

Using this factsheet

This fact sheet accompanies the Code and the frequently asked questions for government suppliers.

For more information visit procurement.vic.gov.au.

The Code in action

New contracts, agreements and purchase orders

The Code applies to all contracts, agreements and purchase orders from 1 July 2017, and requires suppliers to acknowledge the minimum standards of behaviour when conducting business with the State.

Large contracts and agreements will require suppliers to sign a commitment letter acknowledging the State's minimum expectations and confirming they will aspire to meet these expectations. The commitment letter will be incorporated into the invitation to supply documentation and will form a compulsory part of the supplier's submission.

Low value, intermittent purchase order procurements will have the terms and conditions amended by the State to reflect the suppliers' acknowledgement and commitment to the Code, eliminating the requirement for a separate commitment letter.

Existing contracts, agreements and purchase orders

Existing suppliers will receive a standard letter informing them of the State's expectations under the Code. Some suppliers (not all) may be required to sign and return a commitment letter as part of the contract management review process. This review will be subject to a risk-based approach, as determined by the contract manager.

Subcontractors

Suppliers are obligated to communicate the Code to related entities and subcontractors who support them in supplying goods and services to the State. This will ensure that subcontractors conduct their business in accordance with the Code.

Corrective action process

Suppliers are expected to self-assess their compliance with the Code and are encouraged to raise concerns or seek clarification on any elements of the Code with the relevant contract manager under their contract. Refer to the Code for guidance on additional reporting options.

If requested by the State, suppliers must provide evidence and confirmation of their compliance with the Code, including the provision of documents and records that support their compliance.

Help and Support

Suppliers are encouraged to raise any concerns or seek clarification with their relevant contract manager.

For more information visit the Victorian Government Purchasing Board (VGPB) website (procurement.vic.gov.au) or contact the VGPB Secretariat at vgpb@dtf.vic.gov.au.