



MELBOURNE HEALTH

FACILITIES

MANAGEMENT

# Purchasing practices in a Large Metro Engineering Department

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# Value for Money

- Ensure all contractors currency of credentials
  - Insurances and contracts, including conflicts of interest
- Create contractor quotation panel
  - Public request for quotation of trade packages for low value works including rates
- Calls for quotes put out in random fashion (for bid competition)
  - Works Order Management System (WOMS) – Auto e-mail contractor panel with works request & response date



# Value for Money

- Monitoring and evaluation of supplier performance
  - Contractor's works checked and appropriate legislative signoffs and certifications received prior to payment endorsement
  - Automatic e-mail to works request initiator advising of works completed, allowing feedback to Engineering
  - Engineering random check of contractors quality



# Accountability and Transparency

- Standardised contracts management including process
  - Simplified templates
  - Contractor sign off sheet attached to all invoices
- Centralise purchasing for stock
  - Supply department to price & purchase general stock for Engineering



# Accountability and Transparency

- Stock-take spares (where held)
  - Works mostly just in time purchases tied to works orders
- Asset disposal policy
  - Management sign off disposed items



# Impartiality

- Staff reminded of obligations on gifts and benefit policies.
  - **Gift** - means an item of value – a gratuity, favour, money, voucher, gift in kind, property, commodity and any other benefit not intended to be repaid, whether as a token gift, substantial gift or bribes.
  - **Gifts in kind** - include entertainment, hospitality, travel, accommodation and other similar benefits.



## Impartiality

- The value of gifts or favours
  - which have been deemed not to compromise the purchasing process, must not exceed \$300
- Registers of gifts and benefits in place.
  - Threshold for registering gifts and benefits.
  - All gifts registered and approved prior to acceptance
  - Signed off by Management in relation to current tenders.



# Conflicts of Interest

- Review of conflict policies
  - Management training to ensure understanding and compliance
- Formal declaration of conflicts
  - Contractors
  - Staff





# Conclusion

- Common Sense
  - Engaging contractors
  - Conflicts of interest (staff & contractors)
- Follow Victorian Government Purchasing Board Guidelines (1 July 2008)
  - Seeking three (3) quotes \$25,000 to \$150,000
  - Public tender Threshold = \$150,000



# New Contractor Information sheet

## FACILITIES MANAGEMENT – ENGINEERING

Dear

Following your enquiry to supply Contract Labour to sites covered by Engineering please complete this form and return to:

**Engineering Manager  
Engineering Department  
Ground Floor “Materials Handling Building”  
Royal Melbourne Hospital  
Parkville VIC 3056**

Name of Contractor:

Trade

Address:

Contact Details: Name

Phone

Fax

Number of Staff

*(Strike out one of the answers)*

Does your company have an accredited “Quality System” in place? (Provide details)

YES / NO

Does your company have experience on “Acute Health Sites”? (Provide references)

YES / NO

Does your company operate a “7/24” call out service?

YES / NO

Does your company have “\$20 million Public Liability Insurance” cover (provide details)

YES / NO

### “SCHEDULE OF RATES” (Complete section below)

Normal Hourly Rate

\$

per hour.

To be held firm until / /

After Hours Rate

\$

per hour.

To be held firm until / /

% added to materials for cost plus work

%

**Signature:**

**Position: For Office Use Only)**

**DATE RECEIVED** / /

**RECEIVED BY:**

**COMMENTS**

**Approved / Not Approved by :** \_\_\_\_\_ **Date** / /



MELBOURNE HEALTH

# WOMS – Contractor information

## Contact Information

Close

Company or Dept	<input type="text"/>		<input type="button" value="Add a new Company/Dept"/>	<input type="button" value="Email request a new copy of this documentation"/> <input type="button" value="Work Cover"/> <input type="button" value="Public Liability"/> <input type="button" value="Conflict. Interest"/>
Address1	<input type="text"/>		Default Purchase Value (*): <input type="text" value="\$0.00"/>	
Address2	<input type="text"/>		(*) Important Note: A value greater than \$0 must be present for this company to be present in suppliers list	
City	<input type="text"/>		Phone1	<input type="text"/>
State	<input type="text"/>	Post Code	Phone2	<input type="text"/>
Country	<input type="text"/>		Fax	<input type="text"/>
ABN	<input type="text"/>	Company EMail	Web	<input type="text"/>
Company Comments	<input type="text"/>		Work cover No:	<input type="text"/>
			Valid to:	<input type="text"/>
			Work cover file:	<input type="text"/>
			<input type="button" value="Attach File"/>	<input type="button" value="New File"/>
			Work cover comments:	<input type="text"/>
			Public liability value:	<input type="text"/>
			Valid to:	<input type="text"/>
			Public liability file:	<input type="text"/>
			<input type="button" value="Attach File"/>	<input type="button" value="New File"/>
			Public liability comments:	<input type="text"/>
			Conflict of Interest - Signed by:	<input type="text"/>
			Valid to:	<input type="text"/>
			Conf. of Int. Exceptions:	<input type="text"/>
				(double click for details)

## Personnel Information

Note: Edit personnel information here. To add a record, goto the end of the list and append you new personnel details for this company/department

Name	Position	Email	Phone	Fax & Mobile	Pagers	Personnel Comment
		<input type="text"/>	Phone1: <input type="text"/>	Fax: <input type="text"/>	Ntwk Pgr: <input type="text"/>	
		Primary Contact?: <input type="checkbox"/> Inducted?: <input type="checkbox"/>	Phone2: <input type="text"/>	Mobile: <input type="text"/>	Pager: <input type="text"/>	

