

## Attachment 9.6

# AGIG Contracts and Procurement Policy

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# AGIG Contracts and Procurement Policy

## 1 Scope

This policy applies to all AGIG personnel committing company expenditure. The policy identifies the key requirements and objectives for all procurement activities within AGIG projects and operations.

## 2 Purpose

The purpose of this Contracts and Procurement policy is to define how AGIG will achieve its objectives when procuring goods and services from third parties (set out in section 3 below).

This policy provides a summary of the procurement framework that governs AGIG procurement activities. This Policy is supported by Procedural documents that provide a practical step-by-step guide for personnel to follow when undertaking procurement activities.

## 3 Objectives

It is the responsibility of all AGIG personnel initiating a purchase of goods and services to ensure that the process supports the following objectives:

- **Value for Money** - Obtain the lowest total cost for goods and services whilst maintaining quality, quantity, durability, availability, serviceability, and other factors affecting service and use.
- **Support Growth** - Activities are structured and simple to support the company's growth strategy with a governance structure to learn and adapt over time.
- **Supplier Network** - Establish relationships with key suppliers, forming alliances where required, and introduce excellence into the selection, management, and retention of suppliers.
- **Support Information Transparency for decision making** - Increased visibility to make informed decisions and drive process unification.
- **Procurement to Pay Process** - Maintain, refine, and improve the procurement to pay process to ensure that the process is as efficient and simple as possible for the business to use.
- **Information is Key** - Maintain and improve on the information systems used to deliver the procurement service to the business.
- **Organisation Education** - Keep the business educated on the procurement to pay process and ensure that the personnel within Procurement Management have the skills, knowledge, and values to perform their roles.
- **Sustainability** - Sustainable and socially conscious suppliers encouraged wherever practical and reasonable.
- **Support Local** - Strive to create economic opportunities within Australia by purchasing local products and services. Where economically practical and reasonable, give preference to Australian suppliers or suppliers using Australian products.

- **Alignment with Business Ethics** - Ensuring suppliers are in line with AGIG's Supplier Code of Conduct Policy.

Where personnel are unclear on how to apply this Policy, they should contact the Contracts and Procurement Team who will provide assistance on interpretation and guidance on use.

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## 4 Principles of Procurement

### 4.1. Engage with Contracts and Procurement Team

Before commencing with the procurement of a good or service always check with the Contracts and Procurement Team to understand what contracts and partnerships we have in place. It is likely that the team have addressed your requirements previously (we have done this before).

### 4.2. Business Ethics Compliance

We are committed to ensuring our procurement practices meet the highest standards of business ethics and integrity. We expect our own people, and suppliers, to uphold the highest ethical business practices – please read our Supplier Code of Conduct Policy. To ensure we achieve this we expect all suppliers and their supply chain, to comply with the following:

- **Bribery, Fraud and Corruption:** AGIG does not tolerate bribery or corruption in any form. Employees, suppliers, and contractors aware of any inappropriate or unlawful activity have a duty to report concerns to management. AGIG takes these concerns seriously and, if required, will escalate these to the relevant authorities.
- **Transparency, Confidentiality and Fairness:** AGIG ensures suppliers are treated fairly at all stages of the procurement process, providing transparency with all parties involved, so that everyone understands the elements of the process. Supplier confidentiality is safe-guarded (unless required by law to disclose information) at all stages of the procurement process, as is information disclosed by AGIG to suppliers or potential suppliers.
- **Conflicts of Interest:** AGIG requires employees, suppliers, and contractors to declare any personal interest which may affect, or be seen to affect, their impartiality, or judgement, in respect of their duties. If an employee is faced with a possible conflict of interest, the conflict must be declared, the circumstances discussed with management and any recommended action taken to avoid any real or perceived conflict of interest. If a supplier or contractor is faced with a possible conflict of interest, the conflict must be declared to the AGIG procurement team.
- **Offers of Gifts or Hospitality:** AGIG employees involved in any stage of a tendering process, must not accept an offer of hospitality, gifts, travel, or accommodation (collectively 'gifts') of any value from any organisation involved in a procurement activity with AGIG without declaring the gift to their manager or the Executive Management Team. At times some travel to visit (existing or potential) contractors or suppliers may be required and the contractor or supplier may offer to bear these costs. In these instances, the circumstances will be discussed and agreed with management. Likewise, contractors and suppliers must not make offers of gifts or hospitality where a potential conflict or act of bribery may arise.
- **Modern Slavery:** As outlined in AGIG's Sustainable Procurement Statement, AGIG rejects and prohibits the use of all forms of slavery, child or forced labour within its own operations and in the operations of suppliers. AGIG expects its suppliers to comply with the requirements of the Modern Slavery Act 2018 (Cth) and have in place the necessary processes and procedures in place to investigate, assess and address the risk of modern slavery within their operations, and those of their supply chain, including implementing appropriate due diligence and remediation programs.
- **Human Rights and Labour Conditions:** AGIG expects its suppliers conduct business in a manner consistent with the human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business. Suppliers are expected to ensure all people are treated with dignity, courtesy, and respect, irrespective of age, gender, race, sexual orientation, political or religious belief, culture, marital status, family commitments, physical or mental ability. Suppliers are expected to ensure fair working conditions and wages including equal pay for equal work.



Compliance with the Supplier Code of Conduct Policy is a condition of working with us. Subject to contractual arrangements agreed, AGIG may terminate supply contracts based on the material breach of contract if information comes to light that indicates that a supplier breaches or unreasonably refuses to provide information in line with the code.

### 4.3. Value for Money

Key aspects of the contract and procurement process are:

- Make sure the commercial terms agreed are clear and represent value for money. Purchasers must consider the total benefit derived from a good or a service against its total cost, when assessed over the period the good or service is to be used.
- Follow the financial thresholds set out in the table below for guidance on engaging with suppliers and whether a single quote or multiple quotes are required. For high risk and/or high value procurement, financial due diligence on supplier may need to be undertaken.

**Table 1: Contracts and Procurement Threshold Requirements**

Threshold	<\$1k	<\$30k	\$30k - \$100k	\$100k - \$500k	>\$500k
<b>Procurement activity</b>					
	Credit card (if available) for any non-inventory items or Purchase Orders	Minimum 1 written quote conducted by Business Unit (validated by C&P) or by C&P	Minimum 3 written quote conducted by Business Unit (validated by C&P) or by C&P	Minimum 3 written quote conducted by C&P	Tender process with minimum 4 bidders conducted by C&P
<b>Supporting documentation</b>					
Invitation to Tender	Not required	Not required	Not required	Not required	Required
Recommendation for Award	Not required	Not required	Not required	Required	Required
Sole Source Justification	Not required	Not required	Required when only 1 bidder	Required when only 1 bidder	Required when only 1 bidder
Exemptions to minimum procurement activity under threshold			Less than 3 written quotes require approval of Head of C&P	Less than 3 written quotes require approval of Head of C&P	Less than 4 written quotes require approval of Head of C&P

**Any exemption to the procurement activity thresholds will require approval from the Head of C&P.**

## 5 Amendments of this Policy

Action	Governance Level	Date
Reviewed by	Executive General Manager Commercial	October 2024
Recommended by	Executive Leadership Team	November 2024
Endorsed by	Risk and Compliance Committee	February 2025
Revision Number	02	
Next Review Due	March 2026	