



VENDOR PROCUREMENT POLICY

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1. INTRODUCTION

This Vendor Procurement Policy summary has been prepared to assist the Vendor community in understanding how to do business with The Baker Group.

The Baker Group comprises three (3) incorporated entities:

- The Baker Group (Tas) Pty Ltd (Holding Company and principle operating entity)
- Island Enterprises (Tas) Pty Ltd (Subsidiary Company)
- Recab Transport Pty Ltd (Subsidiary Company)

Vendors MUST conduct their business only with the Holding Company, that is The Baker Group (Tas) Pty Ltd.

2. THE BAKER GROUP CORPORATE PROCUREMENT DIVISION

The goal of Corporate Procurement is to obtain the best overall value for The Baker Group through an open and competitive process that is fair and transparent. Depending on the needs of The Baker Group, Corporate Procurement formally solicits bids and proposals from Vendors or in the case of small purchases orders without formal competition.

The Baker Group procurement process reflects its commitment to fair labour practices, appropriate wages and benefits and health, safety, environment and quality (HSEQ) programs and the diversity of its suppliers. The Vendor Procurement Policy governs all procurement made for or on behalf of The Baker Group.

3. AUTHORITIES

3.1. Corporate Procurement has the functional authority for The Baker Group corporate procurement. Corporate Procurement exercises its authorities by settling policies, procedures and standards designed to provide an appropriate balance between the institutional requirements and the needs of its business managers.

Corporate Procurement has the authority to sign on behalf of The Baker Group contracts, purchase orders, agreements and other instruments associated with the purchase, sale or disposal of goods and services.

3.2. In addition to Corporate Procurement, staff in certain specified positions in The Baker Group have the authority to sign standard Baker Group purchase orders and contracts for work or delivery of goods and services selected in accordance with The Baker Group policies and procedures and under the following thresholds:

- Purchase Orders up to \$2,000: The Baker Group Managers.
- Operational Consulting Firm contracts up to \$2,000: The Baker Group Managers.

3.3 No work may be commenced, nor goods or services supplied by a Vendor prior to the issuance of an official Baker Group Purchase Order or Contract. Any commencement of work, goods or services provided by a Vendor prior to the issuance of a Baker Group Purchase Order or Contract will be at the Vendor's own risk. The Baker Group will not be liable for such action by the Vendor nor will The Baker Group be responsible for payment of the said goods or services.

4. VENDOR REGISTRATION

4.1 Vendors must meet The Baker Group standards related to product/service quality, delivery systems, price and service objectives. Some of the more important Vendor attributes The Baker Group considers in supplier selection are performance history, facilities and technical strength, financial status, organisation and management, reputation, systems, procedural compliance, communications, labour relations, HSEQ Management System performance, diversity achievements and location.

4.2 The Baker Group VENDOR REGISTRATION FORM can be downloaded using the following link:

<https://www.thebakergroup.com.au/vendors>

The Baker Group will only review and process Vendor Registrations for businesses that have been selected to provide goods or services because of either a competitive process or sole contract award.

4.3 Completion of a Vendor Registration Form does not guarantee a Vendor will be approved as a Baker Group Registered Vendor.

4.4 The Baker Group defines a Vendor as:

- A Business is defined as an organisation that has been incorporated or registered as a trading company/business (limited, unlimited or proprietary), corporate trustee or partnership that has been established to offer goods and/or services for profit. An organisation registered as 'not-for profit' (e.g. university, hospital) is also considered a business.
- A Sole Proprietor/Independent Contractor is defined as a person engaged in a business as either a 'self-employed individual' (an individual in business for himself or herself and is self-employed), or as a 'sole proprietor' (an individual in business for himself or herself and who is the only owner of the unincorporated trade or business).

4.5 Vendor eligibility is measured by reviewing Vendor Registration Forms against the following Vendor Registration criteria:

- The business enterprise must be able to demonstrate that it has been and is offering goods and/or services under the business name for a period not less than one (1) year.
- The Vendor has multiple business clients and the financial capacity to provide the goods and/or services. The financial capacity will be assessed by comparing the Vendor's revenues to the value of the proposed contract(s).
- Corporate Procurement will carry out a review the Vendor's current year-to-date financial statements together with those of the prior two (2) financial years.

4.6 Vendors are required to notify Corporate Procurement of any real or perceived conflicts of interest, including affiliations with current or former Baker Group staff and their close relatives.

4.7 Vendors do not need to be registered in order to be eligible to participate in bidding opportunities. However, a Vendor must be a Registered Vendor in order to receive a contract award.

4.8 Once a Vendor has been approved it will be added to The Baker Group Vendor Master File as a Registered Vendor. Registered Vendors will be expected to maintain their Vendor Registration file and advise The Baker Group of any significant business changes. Registered Vendors may be asked to submit updated and/or provide additional information that may be used in determining the Vendor's ability to participate in specific requests for proposals for major procurements, where additional qualification criteria, specific to the requirement, have been determined.

4.9 The Baker Group, at its sole discretion, reserves the right to remove a Vendor from the Vendor Master File. Reasons for removing a Vendor from the Vendor Master File could include:

- The Vendor no longer meets the Vendor Registration or Vendor Eligibility criteria.
- The Vendor's Vendor Master File is inactive, or information is out of date.
- The Vendor has demonstrated unsatisfactory performance under a Baker Group contract.

4.10 Only responsible Vendors are eligible to receive Baker Group contracts. Vendors found to be non-responsible may be excluded from future contract awards.

5. VENDOR ELIGIBILITY

The Baker Group policies, standards and procedures for determining whether a Vendor is excluded, either permanently or for a specific period, from receiving contract awards from The Baker Group are found in the Baker Group Vendor Eligibility Policy, which can be downloaded using the following link:

<https://www.thebakergroup.com.au/vendors>

6. BUSINESS ETHICS

6.1 The Baker Group procurement activities are conducted in a manner above reproach, with complete impartiality and with no preferential treatment. Baker Group staff will not solicit or accept, directly or indirectly, any gratuity, gift, favour, entertainment, loan or anything of monetary value from anyone who:

- Has or is seeking to obtain Baker Group business.
- Has interests that may be substantially affected by a procurement award.

6.2 The Baker Group Vendors and their employees are expected to abide by the highest ethical, legal and moral standards in all business relationships. As such, all Vendors are obliged to respect The Baker Group policy and refrain from placing Baker Group staff in an ethical dilemma by offering entertainment, hospitality or gifts.

7. CODE OF CONDUCT FOR CONTRACTORS AND CONTRACTOR EMPLOYEES

7.1 Definition of on-site Contractor Employees – on-site Contractor Employees refers to personnel engaged to perform the duties in a contract between The Baker Group and a Vendor where the assignment requires the personnel to work on Baker Group premises and/or designated work sites. This definition includes subcontract employees.

7.2 Code of Conduct of On-Site Contract Employees:

- The conduct of On-Site Contractor Employees will be in line with The Baker Group rules and regulations.
 - Contractors are required to ensure that their On-Site Contractor Employees at a minimum are familiar with the following:
 - This Vendor Procurement Policy.
 - The Baker Group HSEQ management systems, policies and procedures.
 - Contractors are responsible for monitoring The Baker Group website to stay abreast of compliance requirements and changes to or the introduction of, applicable policies.
 - If an On-Site Contractor Employee fails to comply with the expected standards of conduct, the On-Site Contractor Employee will no longer be allowed on Baker Group premises and/or designated work sites.
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8. SOURCE SELECTION

8.1 The Baker Group promotes open competition through its procurement process using a variety of traditional solicitation tools such as Request for Quote, Invitation for Bid, Request for Proposal etc. Purchases made by The Baker Group follow a formal competitive bidding process whenever possible.

8.2 The Baker Group uses both manual and electronic tools for solicitations. Electronic tools include email, secured fax and other e-tendering solutions. Electronic commerce with Vendors significantly enables efficiency and reduction in transaction costs. It is the goal of The Baker Group to have an integrated electronic business solution for many of its supply processes in jurisdictions where e-tendering can be achieved. This extends to the entire supply chain, including communications and document exchanges among clients, Corporate Procurement, suppliers and other Baker Group supply stakeholders. Corporate Procurement will attempt to automate the procurement process — particularly from order placement to disposal — as much as possible. Inherent in this principle is an expectation that Baker Group Vendors will become capable of conducting business electronically.

New Vendors will be enabled by electronic requirements, purchase order and invoice and payment processes whenever an electronic business solution is available.

8.3 It is the Vendor's responsibility to review this Vendor Procurement Policy prior to bidding, accepting an order, rendering services or shipping goods to The Baker Group.

8.4 Vendors do not need to be registered to participate in The Baker Group solicitation process, however, to receive a contract award, they must have completed a Vendor Registration Form, meet all eligibility requirements and provided all required documentation.

9. SOLICITATION PROCESS

9.1 Best Value

9.1.1 The Baker Group bases procurement decisions on best value. Best value is defined as the outcome that provides the optimal combination of elements such as lowest total cost of ownership; technology, innovation and efficiency; assurance of supply; quality; and other factors relative to Baker Group needs. When sourcing, the best value is generally achieved through competition.

9.2 Solicitation Procedures and Types

9.2.1 Corporate Procurement prepares and distributes, by invitation or advertisement, a solicitation to prospective Vendors. The solicitation may include, based on the goods and services being acquired, specifications, a Statement of Works, a Terms of Reference or a Performance Work Statement, price sheet, questionnaire, proposed contract terms and conditions, evaluation criteria and any other necessary information. Solicitations intended to result in multi-year contract awards will require respondents to submit current year-to-date and financial statements for the previous two (2) years, so that respondent's financial status/stability can be determined. All requirements must be clearly stated in the body of the solicitation and all must be specifically addressed by the bidder/offeror in their bid/proposal.

9.2.2 Prospective bidders/offerors should inform Corporate Procurement identified on the solicitation documents as soon as possible if they believe the specifications or other solicitation requirements are faulty, unnecessary or inhibit competition so that any valid issues can be addressed in an addendum. To maintain fair and equitable treatment of all Vendors, Corporate Procurement will not hear complaints or grant appeals relative to specifications unless the issue was submitted by the Vendor in writing at least five (5) days prior to the bid/proposal submission date.

9.3 Business Opportunities

9.3.1 Corporate Procurement's solicitation methodologies are consistent with the industry norms for the goods and services and the need for adequate competition. The Baker Group procurements are open to competition from Vendors in all intrastate and interstate jurisdictions, subject to the competitors being eligible and legally able to conduct business in the jurisdiction of performance/delivery.

9.3.1.1 Opportunities may be by invitation to a sufficient number of Vendors to ensure adequate competition, or through advertisement on The Baker Group website.

9.4 Exceptions to Competition

It is Baker Group policy to procure goods or services through a competitive process to the maximum extent possible. However, instances arise when a non-competitive procurement selection is justified.

10. BIDS AND PROPOSALS

10.1 Submission of quotations/bids/proposals is to be in accordance with the instructions contained in the solicitation document.

10.2 Rejection of Quotations/Bids /Proposals

10.2.1 The Baker Group at its sole discretion reserves the right to reject any quotation, bid or proposal without recourse. Quotations/bids/proposals may be rejected for the following reasons:

- Quotations/bids/proposals were received past the due date and time as specified in the solicitation document.
- Corporate Procurement determines the total quotation/bid/proposal price or prices for individual line items to be unreasonable or unbalanced.
- When a bid guarantee is required and the bidder fails to furnish the guarantee in accordance with the bid requirements.
- Quotations/bids/proposals received are not responsive to the content of the solicitation.

10.3 The Baker Group, at its sole discretion, reserves the right to request substantiation or clarification for any or all information received and to ask for interviews with the management staff of bidders/offerors when necessary.

10.4 The Baker Group, at its sole discretion, reserves the right to cancel a solicitation without recourse, at any time during the solicitation and evaluation process and prior to contract award.

11. SOCIALLY RESPONSIBLE PROCUREMENT

11.1 As a socially responsible organisation, The Baker Group, through its corporate procurement practices, endeavours to integrate socially responsible suppliers into its supply chain. To this end, for contracts where labour services are provided directly to The Baker Group, Baker Group procurement policy addresses supplier activities under the categories of diversity, health and safety and accessibility (equipment and facilities).

11.2 Wages and Benefits, Health and Safety

11.2.1 The Baker Group solicitations and contracts for labour services will specify measures to be implemented to address service employees' wages and their health and welfare fringe benefits and will also specify criteria that address the need for contractors to provide their service employees with safe working conditions and fair and equitable work practices.

11.2.2 The Baker Group policy on socially responsible procurement will be reflected in solicitations for the provision of labour services as determined appropriate by Corporate Procurement. If appropriate, applicable evaluation criteria will be included in the technical evaluation and considered in the cost analysis of all quotations, bids and proposals received in determining the successful bidders or offerors.

12. ENVIRONMENTALLY RESPONSIBLE PROCUREMENT

12.1 To increase the development and awareness of environmentally responsible procurement (ERP), the acquisitions of goods and services will ensure that, wherever possible, specifications are written to provide for the expanded use of environmentally preferred products such as: durable products, reusable products, energy-efficient products, low-pollution products, products (including those used in services) that contain the maximum level of post-consumer waste and/or recyclable content and products that in any other way have a minimal harmful impact on the environment.

12.2 The Baker Group policy on Environmentally Responsible Procurement will be reflected in solicitations issued by Corporate Procurement as determined appropriate by Corporate Procurement. Applicable evaluation criteria will be included in the technical evaluation and considered in the cost analysis of all quotations, bids and proposals received in determining the successful bidders/offerors.

12.3 It is recognised that cost analysis is required to ensure that the products are made available at competitive prices and that the environmental benefits provided by a product or service do not undermine its overall performance. Given that many environmentally preferred products and services can produce a variety of tangible benefits, full consideration should be given to the long-term and complete costs and benefits of environmentally responsible procurement.

13. CONTRACT AWARD

13.1 Basis for Award

Following a selection process, the Vendor is selected in accordance with the basis for the award as specified in the solicitation and as described below:

- Corporate Procurement determines whether the Vendor selected for award is responsible. A responsible Vendor is defined as one with the operational capacity, capability and willingness to successfully complete the contract. In making this determination, Corporate Procurement considers various elements including financial stability, financial ratios, the location and operating capacity of the Vendor's plant and personnel and the effect of other financial and resource commitments, as well as the Vendor's experience, past performance and history of adherence to ethical business practices.
- Corporate Procurement determines, based on reasonable knowledge of the commodity and market conditions, that the price quote/offer is fair, reasonable and balanced. Reasonable pricing will be determined by comparison of the proposed bid/proposal price with: recent previous purchases; current price lists; catalogues; advertisements; and similar industry benchmarks.

13.2 Notice of Award

13.2.1 The selected bidder/offeror will receive notice of the award and The Baker Group contract will be issued in accordance with the solicitation requirements.

13.3 Contracting Instruments

The Baker Group purchase obligations are executed in the form of written agreements that establish binding legal relationships obligating the Vendor/Contractor to furnish goods, works, services or data and obligating The Baker Group to pay for them.

13.4 Acceptance

The acceptance of the contract or purchase order by the Vendor is the Vendor's consent to proceed with performance. The Baker Group regulations do not permit oral contracts; therefore, Vendors are not permitted to proceed with deliveries or begin work before the issuance of a written Baker Group authorised contract or purchase order. Furthermore, all contract changes or modifications must be in writing and fully executed by both parties.

14. AWARD DEBRIEFING AND PROTEST PROCEDURES AWARD

Debriefing and Protests procedures are available only to offerors/bidders who participated in a Baker Group competitive solicitation and who were not awarded a purchase order or contract. Award Debriefing and Award Protest Procedures are not available to Vendors who did not participate in the solicitation; non-responsive or late offerors/bidders; or when the solicitation was cancelled by The Baker Group.

14.1 Debriefing Procedures

14.1.1 The Baker Group does not routinely debrief unsuccessful offerors. However, in the case of highly technical or complex awards, a debriefing may be conducted upon written request from an unsuccessful offeror.

14.1.2 The scope of the debriefing is to identify the technical deficiencies or weaknesses of the offeror's proposal. Debriefings do not discuss the following:

- Trade secrets or other proprietary information including the methodology or approach of other offerors.
- Financial or cost information about other offerors.
- Evaluation scoring or the ranking of the offeror.
- Other offerors' proposals.

14.2 Award Protest Procedures

14.2.1 The Baker Group response to all protests, regardless of who they are addressed to, is always prepared and executed by Corporate Procurement.

14.2.2 An unsuccessful offeror/bidder that wishes to protest an award must inform Corporate Procurement in writing to explain the basis of the protest within ten (10) business days (the "Notice Period") of The Baker Group issuance of the solicitation, addendum, notice of award or other action of The Baker Group related to the solicitation. Protest notifications must include the following information:

- The protestor's name, address, telephone number, fax number and email address.
- The Baker Group solicitation number.
- A detailed statement of all factual and legal grounds for the protest and an explanation of how the protestor was prejudiced.
- Copies or relevant documents supporting the protestor's statement protest notifications that are submitted after the ten (10) day Notice Period or that do not indicate a basis for the protest are not entertained.

14.2.3 Upon receipt of a written protest from an unsuccessful bidder/offeror, Corporate Procurement undertakes the following:

- Provides the protestor with a written acknowledgement.
- Initiates a review of the protestor's allegations and
- Following the conclusion of the review, provides the protestor with formal written notification of the decision and the basis upon which it was made.

14.2.4 A decision will be final and conclusive.

15. CONTRACT ADMINISTRATION

15.1 Corporate Procurement has the responsibility to monitor contractor performance through meetings, reports and inspection to ensure contract compliance. Corporate Procurement must also require deliverables for all services and document contractor performance.

15.2 Contract Changes/Modifications. Contract changes become effective only after a written contract modification or change order has been issued by Corporate Procurement and executed by the Vendor.

15.3 Payment to Vendors

15.3.1 Vendors shall promptly submit Tax Invoices to The Baker Group and within thirty (30) days after goods have been received or services rendered and in accordance with the instructions in the contract.

15.3.2 Upon receipt of proper Tax Invoices, The Baker Group will pay Vendors/Contractors at the prices/rates stipulated in the contract, for goods delivered and accepted or services delivered or rendered and accepted, minus any deductions or discounts provided for in the contract.

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