



About the conflict of interest in procurement guide

Who this guide applies to and how to use it in your work

This guide uses 3 scenarios to explain how to manage conflicts of interest when people with in-demand skills and experience move between the private sector and VPS.

This guide applies to you if you're:

- a VPS employee, including a manager or executive
- a consultant, contractor or (except where we state otherwise) a labour-hire employee who must comply with the [code of conduct](#).

The guide's purpose is to assist you if you're involved in:

- procurement, such as being on a procurement panel or approving procurement costs
- declaring procurement-related conflicts of interest
- assessing declarations
- developing and overseeing conflict of interest management plans.

The guide doesn't alter any policy, process or code. You must comply with the relevant [Victorian Government Purchasing Board policies](#) and [public construction ministerial directions](#).

Managing conflicts of interest

As a VPS employee, you must be — and be seen to be — impartial in performing your public duties. This helps to maintain public trust and prevent corruption.

If you have a conflict of interest you must:

- declare the conflict in writing
- follow the management plan your manager develops in consultation with you to manage the conflict.

Always declare a conflict of interest, regardless of whether the [conflict is real, potential or perceived](#).

Your manager will develop a plan to address your conflict of interest based on the risk mitigation strategies in your organisation's conflict of interest policy. The approach taken in the plan will be proportionate to the risk.

These strategies are likely to be similar to those in our [conflict of interest model policy \(DOC, 50KB\)](#), which are:

Open allClose all

Record and monitor

Your conflict of interest is recorded. Relevant team members and managers are made aware of it. This supports impartial decision-making.

Ongoing monitoring occurs. If the risk level rises, additional strategies are implemented. For example, the strategy 'restrict or remove'.

Restrict

Restrictions are placed on your involvement in the conflicted procurement.

For example, the management plan may say that you can take part in certain discussions on the matter but must not take part in any decision or be present when it's made.

Remove

You're removed from the conflicted procurement process entirely. You don't take part in any discussion or decision on the matter and aren't present when these occur.

Recruit

An independent, impartial third party with no conflict of interest in the matter oversees part or all of the procurement process.

This person could be an employee or external to the organisation. However, a subordinate wouldn't be considered independent unless exceptional circumstances exist.

Relinquish or resolve

You relinquish your private interest in the procurement.

If you can't do so (for example, because of your relationship with a prospective bidder), the organisation will take action to resolve the situation. This is because it's not in the public interest for an unmanageable conflict to continue to exist.

The organisation will do so consistent with the [public sector employment principles and standards](#) and any applicable employment contract, agreement or law.

Example – resolve

An employee must be able to:

- perform the duties of their role as required, to the required standard
- comply with their employment obligations, including their employer's policies.

Sometimes, the situation can be resolved by the employee taking leave or performing modified duties or another role.

But this will not always be the case. For example, due to staffing needs or capacity or the duration of the conflict.

In such cases, the employment relationship may need to terminate.

More information

If you need more information after reading this guide, see:

- [conflict of interest information for organisations](#)
- [goods and services procurement policies](#)
- [public construction ministerial directions](#)
- [buyer's guide for procurement](#)
- [plan for probity](#)
- [supplier code of conduct](#)
- [VAGO report on managing conflicts of interest in procurement](#)
- [managing corruption risks associated with conflicts of interest in the Victorian public sector.](#)