Procurement Procedure

Section 1 - Purpose

(1) This Procedure supports the Procurement Policy and the Finance Governance Policy and provides guidance to University of Canberra (University) staff undertaking procurement and contract management processes to achieve value for money.

Section 2 - Scope

(2) This Procedure has the same scope as the Procurement Policy.

Section 3 - Policy

(3) Refer to Procurement Policy.

Section 4 - Procedure

(4) The University Procurement Framework is designed to promote effective governance, value for money (VFM), and accountability in procurement processes. By adhering to these principles, the University aims to achieve cost-effective and efficient procurement while ensuring that its business needs are met and that its actions are conducted transparently and responsibly.

Effective governance

(5) All procurement processes must adhere to the Procurement Policy, the Finance Governance Policy and any other document that forms part of the University's Procurement Framework. Each procurement activity shall be required to adhere to the following:

a. apply consistent processes that are commensurate with the nature, value and risk;
b. define and communicate clear and well-defined roles and responsibilities;
c. utilise simplified and user-friendly RFx documents;
d. maintain appropriate record-keeping and documentation ensuring confidentiality of all commercial information; and
e. identify, disclose, and effectively manage potential conflicts of interest throughout the procurement process.

Value for money

(6) VFM is the key consideration for each University procurement process. It must be evaluated at the onset of each procurement activity and continuously throughout the process to determine the most effective means of achieving value.

(7) Staff responsible for the procurement activity are required to assess the technical merits of the procurement in

relation to associated risks, the scope, and the offered price, while considering the University's budget constraints.

(8) Various factors may be considered when assessing value for money including:

a. conformance with technical requirements and suitability for the intended purpose;
b. evaluation of overall life cycle costs;
c. examination of the proposal's flexibility;
d. assessment of the quality of service, support and warranty;
e. evaluation of the level of associated risks;
f. consideration of social and economic benefits;
g. examination of the proposal's environmental sustainability;
h. assessment of the supplier's relevant experience; and
i. assessment of offered price.

(9) Prior to granting approval for a procurement activity, a delegate is required to ascertain, through reasonable enquiries, that the procurement achieves a VFM outcome.

Accountability

(10) The principles of accountability, transparency and probity will govern all procurement processes and the actions taken by University staff to ensure the integrity of the procurement process..

(11) Staff members are required to uphold ethical behaviour, ensure transparency, and adhere to probity protocols throughout the procurement process. These protocols include:

a. conducting transparent and competitive tendering processes;
b. establishing clear and easy to understand evaluation criteria and methodology;
c. maintaining transparency in decision-making; and
d. providing opportunities for feedback on outcome decisions.

(12) A designated Probity Advisor will be appointed to oversee, assess, and provide guidance on the probity framework and processes of a procurement activity. The Probity Advisor's primary objective is to ensure the integrity of the adopted procedures and processes.

(13) The University's Probity Protocol is designed to uphold the principles outlined in the Procurement Framework and enables verifiable compliance with these principles. It is mandatory to adhere to the Protocol throughout all stages of the procurement process, as it ensures a transparent and defensible tender process. For more information, please refer to the Probity Protocol.

Enablers

People

(14) The Strategic Procurement team is responsible for ensuring the consistent, fair and transparent application of procurement processes. Their approach is based on best practice, emphasising open and effective competition while ensuring compliance.

(15) The Strategic Procurement team is responsible for conducting all procurements with an estimated value exceeding $500,000. The team also offer general procurement guidance and policy advice across the University and maintain procurement systems and templates.

(16) Staff members within Faculties and Business Units have authority to carry out procurement activities valued up to

$500,000. For complex or high-risk procurement activities, the involvement of the Strategic Procurement team is mandatory.

(17) Whenever a procurement is anticipated to exceed $50,000, staff members should seek general guidance from the Strategic Procurement team.

(18) It is imperative that staff engaged in procurement processes have the necessary skills to effectively manage the procurement activity and any resulting contracts.

(19) For contractual legal matters, Legal must be consulted.

Technology

(20) The Procurement portal serves as the University's central procurement hub accessible via the intranet. It offers a convenient, all-in-one platform where staff can access essential resources, including this Procedure, the Procurement Policy, the Finance Governance Policy, templates, forms and the Delegations of Authority Policy.

(21) Tenderlink is the University's web-based e-procurement system adopted for the management of tenders. It enables suppliers to receive notifications when the University publishes tender documents.

(22) FinanceOne is the University's Financial Management System, used for creating standard purchase orders and processing invoices efficiently.

(23) Ready Contracts is the University's Contract Management System (CMS), a centralised repository for all commercial contracts and agreements, providing for effective management and reporting.

(24) Content Manager is the primary records and archives management system for the University, accessed at Records.

Tools and templates

(25) The University has developed a set of standardised templates, forms and checklists for use during procurement activities. These resources are readily available on the Procurement portal and are regularly maintained by the Strategic Procurement Team.

Procurement protocols

Indigenous Procurement Strategy

(26) In alignment with its commitment to Reconciliation, and its broader business strategy, the University, has developed the Indigenous Procurement Strategy (the Strategy).

(27) The Strategy supplements the procurement threshold requirements and is designed to promote the engagement of Aboriginal and Torres Strait Islander owned businesses (Indigenous Enterprises) as suppliers, diversifying the University's supplier base.

(28) Any procurement conducted under the Indigenous Procurement Strategy must still undergo a comprehensive value for money assessment. This evaluation ensures the Indigenous Enterprise capability to complete the work and assesses the acceptability of the quoted price in comparison to market expectations.

Modern slavery

(29) The Modern Slavery Act 2018 has established national modern slavery reporting requirements in Australia. The University is committed to addressing modern slavery by continually reviewing and investigating its operations and supply chains to prevent any involvement or contribution to modern slavery.

(30) The University is dedicated to ensuring its suppliers, collaborators, and others business partners share its commitment to minimising the risk of modern slavery. Modern slavery risks should be a consideration in risk assessments.

Sustainable procurement

(31) The University is committed to upholding the highest standards of environmental, social and energy sustainability, as well as promoting water conservation, physical accessibility, and sustainable modes of transport.

(32) The University encourages prospective suppliers to adopt socially responsible, ethical practices, and innovation when conducting business with the University.

IT procurement

(33) All IT items, including desktop computers, mobile devices, and corporate software purchases, regardless of cost, are officially registered as University assets and must be purchased through the Digital, Information and Technology Management (DITM) procurement process. This requirement extends to purchases made under grant conditions. Personal computer purchases made outside of DITM are not supported on the University network.

(34) Staff members are required to consult with DITM when planning software or hardware procurements and complete a new vendor questionnaire form to ensure compatibility with existing systems.

Standing Offer Arrangements (SOA)

(35) An SOA is a general agreement between the University and a supplier which defines:

a. the nature of the services to be provided by the supplier;
b. the financial limit and duration of the agreement; and
c. may include a schedule of charges to operate during the life of the SOA. Parties with whom the University enters into an SOA are referred to as 'Preferred Suppliers'. An SOA is not itself a legally enforceable contract in respect to any individual arrangement for the acquisition of goods or services until a Purchase Order or work order is placed with the supplier. At that time, the terms and conditions of contract (which have already been agreed with the supplier) come into effect.

(36) There are two types of SOA implemented at the University:

a. Mandated Single Supplier: Involves one supplier for a category of goods/services, from which the University can order scheduled goods/services at agreed rates, without the need to obtain further quotes.
b. Pre-qualified Panel of Suppliers: These consist of a panel of specialist suppliers in a field or industry who have been selected through a competitive tender process. Purchasers will still need to obtain quotes from these suppliers as per this Procedure.

(37) Where SOA and Panels have been established for the provision of certain goods or services, the use of companies outside these arrangements must be approved by the Director, Finance and Business Services.

Procurement thresholds

(38) The University Procurement Framework is the governing framework for procurement, encompassing procurement thresholds and categories, which include IT procurement and panels. Procurement thresholds are determined based on the estimated whole-of-life cost of the procurement, and they provide guidance for tailoring procurement processes according to the value and inherent risk associated with each specific procurement activity.

(39) When determining the procurement threshold for a procurement, a comprehensive assessment of the total

(whole-of-life) cost should be conducted, encompassing all potential expenses. These costs may include:

a. initial and subsequent purchase amount;
b. consumables;
c. ongoing transaction or licence costs;
d. continuous maintenance or support costs;
e. sustainability-related costs;
f. transitioning costs; and
g. disposal/ decommissioning costs.

(40) A procurement must not be divided into separate parts to circumvent the procurement thresholds. Any financial extensions to purchase orders or agreements must receive approval from the original Delegate, or approval at a higher level if the total cost exceeds their delegation, as outlined in the Delegations of Authority Policy.

(41) Procurement thresholds are independent of delegations and do not determine the points of authority or authorisation within the procurement process. Regardless of value, all procurement activities must obtain prior written 'in principle' approval from the delegate.

(42) For Complex or high-risk procurements, irrespective of their value, guidance must be sought from both Legal and Strategic Procurement.

Guide to the procurement thresholds

(43) Below is a guide to minimum requirements to the Procurement thresholds. Please refer to Procurement thresholds for further information:

Total estimated value	Minimum Requirements
Standard purchases <$5,000	• Payment paid on receipt of an invoice. • Use University Corporate card.
Minor Procurement $5,000 > $50,000	• One written quotation. • Payment paid on receipt of an invoice linked to a Purchase order.
Major Procurement $50,000 < $500,000	• Procurement shall be registered by the Strategic Procurement team. • The team will provide advice on the best approach to market. • Minimum of three suppliers invited to participate (to include at least one Indigenous Business where applicable).
Strategic Procurement >$500,000	• Procurement managed via the Strategic Procurement team. • Procurement undertaken as an open tender and published on e-tendering platform. • An Executive Oversight Group (EOG) established to oversee the procurement process for procurement over $1,000,000.

Procurement Planning

(44) Prior to commencing any formal approach to market, a Procurement Plan must be prepared and approved by the appropriate delegate. The purpose of the Plan is to ensure that crucial considerations have been addressed and that the approach to market will be clear, logical, fair and ethical in fulfillment of the business requirement and achieve value for money for the University.

(45) A Procurement Plan should encompass a range of factors including but not limited to:

a. a description of the procurement requirement and how it will be specified;
b. the chosen method of procurement;

c. an overview of options considered, along with a justification for the recommended approach;
d. details of any market research and spend analysis conducted;
e. milestones and target/key dates for the procurement process;
f. identification of consulted stakeholders and their role;
g. identification of potential risks and proposed risk strategies; and
h. an outline of evaluation methodology, including assessment criteria and the appointment of an evaluation team.

(46) All capital projects procurement must receive prior approval from the University's Capital Planning and Expenditure Committee (CPEC) prior to commencement.

Risk Management

(47) Staff members responsible for procurement activity must actively identify, assess, and manage potential risks associated with the purchase of goods or services. The objective is to minimise unexpected or adverse outcomes during the procurement process while optimising benefits.

(48) Processes for identifying, analysing, allocating, and mitigating risk must be established during the planning phase of procurement.

(49) Risk Management practices must be integrated into the procurement activity and aligned with the University's Risk Management and Risk Appetite.

Approaches to market (ATM)

(50) An ATM is a notification inviting potential suppliers to participate in a procurement process. This may include a request for tender, request for quote, request for expression of interest, or request for proposal, collectively referred to as the RFx documentation.

Choosing the right approach to market

(51) When determining the appropriate approach to market, careful consideration should be given to factors such as risk, complexity, and estimated value of the procurement. One of the following procurement methodologies should be employed when approaching the market.

Request for quote (RFQ)

(52) This process is utilised when the goods or services required have a low value or are part of a Standing Offer Arrangement. Staff members should have a clear understanding of the solution they need and have compiled a specification with straightforward technical requirements.

Request for proposal (RFP)

(53) The RFP process encourages suppliers to propose solutions to achieve a desired outcome or address a specific problem. RFPs are particularly valuable for larger, more complex requirements.

(54) A RFP should focus on the broad capabilities or capacities of suppliers to meet the need, and typically allows more scope for suppliers to offer innovation or alternative options compared to other methods.

Request for tender (RFT)

(55) The RFT process is employed in a competitive market where research has confirmed a viable level of interest and capacity amongst prospective suppliers. It may involve multiple phases for more complex requirements and is considered the most transparent procurement method.

(56) The RFT must clearly define the required solution and outline performance specification and technical requirements.

Expression of interest (EOI)

(57) An EOI process invites expressions of interest from potential suppliers where there are numerous potential suppliers available, or when project requirements are not completely known and could be refined based on further information from potential suppliers.

(58) Typically, EOI is the first stage of a multi-stage process, and it aims to gather information or proposals from respondents to assess their capability or capacity to respond to RFQ/RFT/RFP.

Select request for tender

(59) Select tendering involves approaching one or more potential suppliers to tender rather than using the open market. This approach can only be taken when there are valid grounds for an exemption, as specified in the Procurement Exemption Process below.

Procurement exemption process

(60) Under certain circumstances, the requirement to obtain the minimum number of quotes, or to deviate from an open tender process may be waived, subject to approval. Grounds for exemption include:

a. When the required goods or services are available only from one source or the item is a component of equipment in service and can only be obtained from the manufacturer of the original equipment.
b. When the item must be compatible with existing equipment for reasons of satisfactory operation, staff training that has already been conducted, or prior investment in spares and maintenance facilities.
c. When goods and services can only be supplied by a particular business to protect patents, copyrights, exclusive rights, or proprietary information.
d. When a limited increase in quantity is required to an item or service already being supplied.
e. When the procurement activity falls under the Indigenous Procurement Strategy.
f. In cases of an urgent and unexpected need for the good or service (note: lack of planning is not considered an urgent and unexpected need). Where an exemption sought is based upon an ‘urgent and unexpected need’, and a relevant panel arrangement exists, procurement must be made from that panel.
g. When procuring a prototype or first good or service intended for limited trial.
h. When the good has been developed at the University’s request as part of a specific contract for research, experimentation, study or original development.
i. In the case of a contract being awarded to the winner of a design contest, provided that:
    - the contest has been organised in accordance with this Procedure; and
    - the contest is judged by an independent jury with the intention of awarding a design contract to the winner.
j. Direct sourcing must not be used to avoid competition or discriminate against any potential supplier. The requirement to achieve value for money remains paramount.

Procurement exemption approval

(61) When an exemption ground specified in Clause 59 applies, written approval to vary normal procurement processes must be obtained.

(62) For Procurements of up to $500,000, approval of the Associate Director, Strategic Procurement is required. All other procurement must be approved by the Chief Financial Officer (CFO) following endorsement by the Associate

Director, Strategic Procurement.

RFx documentation

(63) RFx documentation released to market must meet specific criteria to ensure clarity, conciseness, and accuracy. These documents must be prepared using the approved University procurement templates and include the following:

a. A comprehensive specification that provides a detailed outline of the requirement including functional, technical, or performance specifications along with a nominal delivery schedule.
b. A procurement schedule that clearly specifies tender response deadlines, the expected decision date, and the tender validity period.
c. Tender lodgement protocols, which encompasses contact details for any inquiries, information on any scheduled industry briefing or site visits, and closure date and time.
d. Evaluation criteria and their respective weightings.
e. Either a draft contract approved by Legal or a statement of key legal principles for IT procurements, outlining proposed contractual obligations for all involved parties.

Evaluation process

Evaluation report

(64) Following the assessment of responses received from the market, an evaluation report shall be prepared. This report provides a summary of the evaluation process, in compliance with the evaluation plan.

(65) The report confirms that essential elements of the procurement process have been satisfied, outlines actions required to ensure the successful delivery of specified outcomes and recommends a preferred supplier.

Tender Award

(66) Fully executed contracts, along with associated insurance certificates of currency and bank guarantees, must be documented and filed in the Contract Management System (CMS) and the Content Manager database (TRIM).

Section 5 - Responsibilities

Who	Responsibilities
Director, Risk and Audit	• Facilitate Risk assessment in accordance with the University's Risk Management Framework
Associate Director, Strategic Procurement	• Promote implementation of this Procedure throughout the University • Review and recommend changes to procurement Procedures • Approve exemptions to this Procedure for procurement up to $500,000 • Endorse exemption to this Procedure for strategic procurement • Maintain and update procurement templates and standard forms • Monitor and ensure compliance with this Procedure • Analyse and review procurement practices
Chief Financial Officer (CFO)	• Approve Exemptions to this Procedure for strategic procurement
Delegate	• Provide approval in accordance with the Delegations of Authority Policy
Staff	• Adhere to this Procedure

Section 6 - Definitions

Terms	Definitions
The University	The University of Canberra (ABN 81 633 873 422)
Capital Expenditure	Expenditure to acquire, replace, improve or dispose of capital assets. Capital assets are usually described in the economic sense as those with a useful life in excess of 12 months. These procurements will usually be time critical; have a broad impact on University community; be valued greater than $50,000, with associated life costs greater than $100,000; have high complexity; have an asset life over 5 years; and have moderate or higher reputational risk impact as noted in the University Risk Matrix.
Complex Procurement	A Procurement that, irrespective of value, may have a future high impact on University management and operations (example - design works which lead into greater campus Projects) or a procurement which has interdependencies, Intellectual Property (IP), compatibilities (IT, Scientific Process) or foreign currency requirements.
Contract Management System	A browser-based system developed to hold contract and lease data for the management of contracts and agreements at the University. The system functions as both a repository of agreements entered by the University and a valuable resource for contract administrators to manage these agreements.
Corporate Credit Card	Issued on a needs basis to staff as per the requirements of the Corporate Credit Card Procedure. Cardholders issued with a University Credit Card will hold Financial Delegation Band 7 under the Delegations Schedule of the Delegations of Authority Policy.
Delegate	The specific position as noted under the Delegations of Authority Policy Schedule. Any delegation must be exercised in accordance with the relevant financial delegation limit, approved budget or source of funds except were stated otherwise. The aggregation of expenditure commitments for any one Capital Expenditure or Major Project must not exceed a delegate's financial limit.
Delegation of Authority	A mechanism by which the University enables officers of the University to act on behalf of, and to incur liabilities for the University. The Delegations of Authority Policy defines the limits and establishes accountability of officers of the University.
Evaluation report	A confidential document produced by the evaluation panel to fully record their evaluation of supplier submissions against the selection requirements and criteria. The report is submitted to the delegate for approval before proceeding to engagement of the recommended supplier.
Procurement	Procurement encompasses the end-to end process of acquiring goods and services required to fulfill business requirements. It includes contract management and asset disposal.
Procurement Plan	A document that describes the method that will be used to procure a good or service. This document is prepared to provide important details about the procurement, recommend a desired course of action and to seek approval from the appropriate University delegate to approach the market.
Probity Advisor	Professional appointed to observe, review and provide guidance on the probity framework and processes of a procurement project, with the primary concern being the integrity of the procedures and processes adopted.
Probity Protocol	Embodied in the University's Charter of Conduct and Values, the Probity Protocol outline the principles and processes adopted by University to ensure integrity of the tender process for procurement of goods and services.
Purchase Order	A commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services. If no prior contract exists, then it is the acceptance of the order by the seller that forms a contract between the buyer and seller.
Executive Oversight Group (EOG)	A Committee formed to oversee procurements of high value and/or high risk or complexity. The Committee should comprise of representatives (Band 4 Level and above) from the procuring portfolio and the Operations Portfolio.
RFx documents	The collective suite of documents prepared by the University and distributed to potential tenderers to communicate anticipated procurement of goods or services. RFx documents may include a request for tender, request for quote or request for expression of interest and will include other relevant documents such as the draft contract to help explain the anticipated works.

Terms	Definitions
Risk Management Plan	The Risk Management Plan forms part of the University's Resilience Management Framework and establishes the processes for risk management across the University.
Standing Offer Arrangement (SOA)	An agreement between the University and a supplier that defines the nature of the goods or services to be provided by the supplier; the financial limit and duration of the agreement; and may include a schedule of charges to operate during the life of the agreement. An SOA is not a contract, but rather a Deed governing the supply arrangement. A legally enforceable contract is formed when a purchase order or work order is accepted by the supplier. At that time, the terms and conditions of the Deed come into effect as the contract.

Status and Details

Status	Current
Effective Date	3rd December 2024
Review Date	21st May 2027
Approval Authority	Chief Operating Officer and Vice-President Operations
Approval Date	21st May 2024
Expiry Date	To Be Advised
Custodian	Geoff Drummond Chief Financial Officer
Responsible Manager	Amy Lapthorne Associate Director, Strategic Procurement
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