

Procedure: Procurement

Purpose

To inform staff of the framework for purchasing goods and services with University funds.

Procedure

General

1. University procurement requirements are dependent on the value of the goods and services being sought.
2. A procurement must not be divided or split into separate parts to avoid a procurement threshold.
3. The first preference for source of supply is the University's Preferred Supplier Arrangements,
4. The second preference is to approach the open market
5. The University should avoid perceived and/or real conflicts of interests in accordance with the policy on Conflict of Interest and Commitment. Particular attention should be given to this policy if the University is considering purchasing goods and/or services from suppliers who:
 - a. are current employees of the University
 - b. are past employees of the University
 - c. have a personal relationship with any of the ANU employees involved in the procurement process.
6. Procurement Threshold requirements – Preferred Suppliers, Mandated Arrangements, State and Commonwealth Contracts
 - a. Purchases can be made from suppliers on the University's Preferred Supplier panels, for the goods and/or services covered by that panel, without the need for further quotations/ tender processes.
 - b. Procurements from suppliers under mandated arrangements do not require additional quotations as the applicable goods and/or services must not be sourced from alternate suppliers.

- c. Purchases can also be made from suppliers that hold a State or Commonwealth contract, for the goods and/or services covered by that panel, without the need for further quotations/ tender processes.
7. Procurement Threshold requirements – Minor Procurement (less than \$5,000 in value)
- a. Only one oral or written quotation is required (note oral quotations may entail a higher degree of risk than written quotations, depending on the nature of the goods/services being purchased); and
 - b. Purchasing officers are expected to use their knowledge of the available market to secure value for money.
8. Procurement Threshold requirements – Medium scale Procurement (up to \$50,000 in value)
- a. A minimum of two written quotations are required;
 - b. Quotations must be attached to accounts payable documentation, and sighted by the Delegate prior to authorisation of expenditure; and
 - c. Purchasing officers are expected to use their knowledge of the available market to secure value for money.
9. Procurement Threshold requirements – Large scale Procurement (\$50,000 - \$250,000 in value)
- a. A minimum of three written quotations are required;
 - b. Quotations must be attached to accounts payable documentation, and sighted by the Delegate prior to authorisation of expenditure;
 - c. A Purchase order must be raised through ESP Financials; and
 - d. Purchasing officers are expected to use their knowledge of the available market to secure value for money.
10. Procurement Threshold requirements – Major Procurement (\$250,000 or greater in value, or High risk/high requirement goods/services)
- a. A project manager/officer must be allocated to manage the procurement exercise;
 - b. A business case must be prepared;
 - c. An authorised delegate may approve an exemption from tendering subject to the submission of a business case documenting the rationale for the exemption.
 - d. The Authority delegated to call for tenders must appoint an Evaluation Panel responsible for evaluation offers to identify the response that offers the best value for money;

- e. The intent to commence a procurement exercise must be registered with the University's Procurement and Contracts Office, and assigned an official number from the Procurement register;
- f. A Procurement Plan must be prepared (refer to Procurement Handbook for further details). The most appropriate tender option (Request for Proposal - RFP, Request for Tender – RFT, Expression of Interest – EOI) with reference to requirements, timeframes, and costs to the ANU and suppliers etc. should be selected;
- g. The project Manager/officer must prepare a brief submission to the Delegate seeking written approval to call for offers in response to the request documentation, attaching the draft RFP/RFT/EOI;
- h. Responses to tenders should be submitted via the official UP&CO (or F&S) tender box. UP&CO should be consulted when scheduling tender closing dates to ensure the tender box is available;
- i. Offers must be evaluated by the Evaluation Panel by: applying only the evaluation criteria notified in the request documentation; assessing compliance with the Statement of Requirement (SOR) and the terms and conditions of the contract set out in the request documentation; assessing the technical viability of the proposed solution; assessing the capability of the respondent to provide the goods or services, including technical and management competence and financial resources; contacting referees; taking account of the benefits and costs involved on a whole of life basis with a focus on value for money over cheapest price; documenting any potential constraints or risks and the way risk is allocated, and assessing the cost to the University of that allocation; identify the offer that represents best available value for money in line with this policy; and record its decision with appropriate justification.
- j. The Evaluation Panel must provide a written report to the Delegate with the approval to accept tenders that: is signed by all members of the Evaluation Panel and provides full details of the process and the offers received; provides a clear and publicly defensible appraisal against each of the evaluation criteria; refers to the Risk Register and notes any potential constraints or risks; ranks offers in an order of merit according to their evaluation scores; seeks approval for the order of merit; and recommends acceptance of the highest ranked offer subject to satisfactory negotiation of a contract.
- k. All documentation associated with the procurement exercise must be filed in an official University file (the title of the official file must incorporate the Procurement register number) and retained for the requisite period; and
- l. A Purchase order must be raised through ESP Financials (for internal payment purposes only if a contract has been executed).

11. Contracts

- a. A contract must be entered into for the purchase of goods or services procured as a result of a major procurement exercise. In all other cases, entry into a contract is at the discretion of the delegate.
- b. A procurement exercise is valid for the term of the contract (including extensions entered into in contract variations)
- c. Any further procurement undertaken following expiration of a term of a contract must be conducted with reference to the Procurement Policy and Procedure.

12. Procurement Ethics

- a. Staff involved in University purchasing activities must disclose any actual or perceived conflict of interest arising from the purchasing activity in accordance with the University's Policy and Procedure on Conflicts of Interest.
- b. Where an actual or perceived conflict of interest has been identified, such a conflict shall be managed or involvement prohibited in accordance with the University's Policy and Procedure on Conflicts of Interest.
- c. The University and its staff must not seek to benefit from supplier practices that may be dishonest, unethical or unsafe.
- d. University staff must not accept any form of entertainment or gifts from respondents during a procurement process and must avoid all situations that could give rise to a conflict of interest, either real or perceived.

13. Management of Risk

- a. For all tender processes, a risk register should be undertaken at the commencement of the tender process, and continued throughout the process to manage and mitigate risk exposure to the University.

14. Compliance with Government Legislation

- a. University procurement and contracting activities must comply with Commonwealth, State and Territory government legislation.
- b. As part of any procurement process, the University must comply with the Work Health and Safety Act (Cth) 2011, and other legislation, national standards and codes of practice to ensure that the workplace is, as far as reasonably practicable, safe and healthy for staff, students and visitors.

15. Environmental outcomes

- a. University procurement activities should encourage positive environmental outcomes through the promotion of environmental standards, energy efficiency, re-use, recycling, disposal practices and natural resource conservation.

16. Further guidance:

- a. Detailed guidance in relation to procurement is available on the Procurement Handbook available on the F&BS website.

Delegations relevant to this procedure

- **000240**: Finance Delegation: Authority to call for and accept tenders (University-wide - including exemptions from tendering), limited or public, in line with University policies and procedures.
- **000241**: Finance Delegation: Authority to call for and accept tenders, limited or public, up to \$1m University-wide (excluding exemptions from tendering), in line with University policy and procedures.
- **000220**: Finance Delegation: Authority to purchase goods and services (including the signing of related purchasing contracts) within budget limit.
- **000221**: Finance Delegation: Authority to purchase goods and services (excluding the signing of related contracts) within budget limit.
- **000222**: Finance Delegation: Monthly expenditure via purchase cards, within budget limit.
- **000223**: Finance Delegation: Expenditure via online requisitioning (using University-approved provider), within budget limit.
- **000227**: Finance Delegation: Authority to purchase pool and research vehicles for ANU Fleet

Document information

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