

Policy Hierarchy link	Procurement Policy		
Responsible Officer	Vice-President Finance and Operations		
Contact Officer	Director Strategic Procurement Email: procurement@unsw.edu.au		
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Associated Legislation	NSW Government Guidelines on Procurement Government Information (Public Access) Act 2009 NSW Public Finance and Audit Act 1993 ICAC Act 1997 & ICAC Tendering Guidelines 1997		
Associated Documents	Procurement Policy UNSW Code of Conduct Work Health and Safety Policy and Procedures Credit Card Procedure UNSW Register of Delegations Gifts and Benefits Procedure Purchase Order Procedure Recordkeeping Policy Conflict of Interest Policy Fraud and Corruption Prevention Policy		
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1. Purpose and Context

The Procurement Procedure identifies the principles, requirements and processes that govern procurement at the University of New South Wales (UNSW).

The purpose of the Procurement Procedure is to assist UNSW Faculties and Divisions to implement the requirements of UNSW Procurement Policy and meet the four core principles underpinning UNSW procurement. This means that UNSW needs to be satisfied that the best possible outcome has been achieved taking into account all relevant considerations over the whole of the procurement cycle.

This procedure provides information on managing procurement processes that lead to UNSW Faculties and Divisions entering into an agreement with a supplier(s) which meet the needs of UNSW.

The procurement guidelines provide a practical application of this procedure.

2. Definitions

For the purposes of this procedure:

Procurement means all activities involved in the acquisition of goods and/or services either outright or by lease, this includes the process of acquiring goods and services by:

- (a) identifying the need to purchase goods and services;
- (b) selecting suppliers for goods and services;
- (c) contracting for goods and services; and
- (d) managing the contracts and suppliers.

Staff means all employees of UNSW, including continuing fixed-term and casual employees and all persons who are engaged to perform work as independent contractors of UNSW authorised to purchase goods and services on behalf of UNSW.

Strategic Procurement means procurement staff employed by Finance, Facilities Management and IT to undertake procurement activities.

UNSW Panel Agreements means an agreement that has been executed with a number of qualified suppliers following an approved procurement process and offers UNSW value for money and fit for purpose goods or services. These agreements have no commitment for expenditure.

UNSW Panel Suppliers means a number of suppliers of specific goods and services, which has been established where a business requirements has required such a panel. These suppliers will enter into an agreement with UNSW that provides the ability for UNSW to procure goods or services under agreed UNSW terms and conditions.

UNSW Preferred Supplier is a supplier with which UNSW has entered into an agreement for the supply of goods or services across UNSW following an approved procurement process and Strategic Procurement has endorsed that supplier. In order to be endorsed by Strategic Procurement as a Preferred Supplier, the supplier must meet one or more of the following criteria:

- (a) the Supplier is of strategic importance to UNSW;
- (b) the goods or services represent a high risk to UNSW;
- (c) significant or recurring spend across UNSW.

3. Procurement Principles

All procurement activities are to comply with UNSW's statutory obligations and responsibilities, its policies and procedures, and adhere to the core principles as defined in the *Procurement Policy*:

1. Value for Money
2. Probity and Equity
3. Risk Management
4. Fit for purpose

4. Procurement Requirements

All staff involved in procurement activities will ensure the following requirements are met:

4.1 Segregation of Duties

Procurement processes must include appropriate oversight and segregation of duties to avoid end to end control by any individual. The person approving the financial commitment on behalf of UNSW should not be the person who has obtained the quotations from the supplier(s).

4.2 Conflicts of Interest

Procurement activities must be conducted in accordance with the UNSW *Code of Conduct*. Any conflict of interest should be reported and managed in accordance with the *Conflict of Interest Policy*.

<https://www.gs.unsw.edu.au/policy/documents/conflictinterestpolicy.pdf>

4.3 Delegations and Approval

Procurement of goods or services can only be approved by persons holding the relevant delegation and appropriate authority.

<https://www.gs.unsw.edu.au/registerofdelegations/register.pdf>

4.4 Gifts and Hospitality

Staff involved in procurement activities are prohibited from accepting gifts or extensive hospitality or other benefits from current or prospective suppliers as outlined in the *Gifts and Benefits Procedure*:

<https://www.gs.unsw.edu.au/policy/documents/giftsbenefitsproc.pdf>.

Modest hospitality (e.g. in house lunch, coffee, tea) associated with business meetings to discuss goods or services being acquired by UNSW or as a part of ongoing supplier relationship management is acceptable, but restaurant lunches and dinners, the provision of alcohol, tickets to the theatre or sporting events are prohibited in all cases.

Where there is confusion or difficulties surrounding proffered gifts and/or other benefits, a Strategic Procurement Manager or the Director of Strategic Procurement should be consulted.

4.5 Probity Advisers

Strategic Procurement may require that probity advisers be used for high profile, or complex or high value procurement projects or where it is requested by project steering committee or project board.

A probity adviser will provide advice during a procurement activity to ensure fair and transparent process and no one supplier is given an unfair advantage over another. The probity adviser should have no authority or decision making power in the procurement activity. The procurement decision rests with the relevant Staff member who will be accountable for the outcome.

4.6 Record keeping

Accurate and thorough records must be maintained throughout all procurement processes and filed on TRIM:

<https://www.recordkeeping.unsw.edu.au/recordkeeping/faq.html>.

Procurement practices are open to substantial internal and external scrutiny. Records relating to procurement processes can be examined through internal or external audit processes, by the Independent Commission Against Corruption (ICAC) and unsuccessful suppliers can seek access under the *Government Information (Public Access) Act 2009*. (GIPA Act)

4.7 Environment and Sustainability

When buying goods and services UNSW will evaluate (subject to costs and other considerations):

- strategies to avoid unnecessary consumption and manage demand;
- minimising environmental impacts, by selecting appropriate goods, over the life of goods and services and their disposal; and
- suppliers' socially responsible practices including compliance with legislative obligations to employees.

4.8 Hazardous and Restricted Goods

UNSW must procure hazardous and restricted goods in accordance with UNSW policy and procedures, including: UNSW Register of Delegations, Work, Health and Safety Policy and Procedures, *HS332 Hazardous Substances and Dangerous Goods Procedure*, and any local faculty or school procedures.

HS633b Pre Purchasing Checklist for Hazardous Chemicals/ Materials:

https://www.ohs.unsw.edu.au/hs_procedures_forms/checklists/HS633_b_pre_purchase_form.pdf

4.9 UNSW Preferred Suppliers

Where Strategic Procurement has entered into a UNSW Preferred Supplier arrangement for the supply of goods or services staff should use that supplier arrangement when procuring that good or service.

The Buying Guide provides information on UNSW Preferred Suppliers:

https://www.fin.unsw.edu.au/OurServices/Procurement_BuyingGuide.html



5. Procurement process

The procurement matrix below provides the minimum requirements for procurement activities; however staff may choose to obtain more quotes or elect to undertake a market approach (call for tenders) for any process.

Advice can be sought from Strategic Procurement. Email: procurement@unsw.edu.au

<https://www.fin.unsw.edu.au/OurServices/Procurement.html>

5.1 Which Procurement Process Do I Follow?

It is the responsibility of the staff member with delegated authority to comply with a procurement process from the Table below.

Value of Procurement (Thresholds)	Approved procurement process and conditions	Considerations
Less than \$3,000 including GST	<p>A minimum of one verbal quote which represents best value for money is required.</p> <p><u>UNSW Preferred Suppliers should be used.</u></p> <p>A purchase order must be raised in NS Financials.</p> <p>Where no UNSW Preferred Supplier exists for the good or service a UNSW credit card may be used.</p>	<p>It is strongly recommended that a written quote is obtained from the supplier to ensure the goods or services and terms and conditions are clearly defined.</p> <p><u>No quotation required if a UNSW Preferred Supplier is used for the purchase of the good or service.</u></p>
\$3,001 to \$30,000 including GST	<p>A minimum of one written quote which represents best value for money is required.</p> <p><u>UNSW Preferred Suppliers should be used, if in existence.</u></p> <p>NSW Government or Procurement Consortium agreements may be used.</p> <p>A purchase order must be raised in NS Financials</p>	<p>It is strongly recommended that multiple written quotes are obtained from supplier(s) to ensure value for money is achieved through comparison of options across goods/services and suppliers.</p> <p><u>No quotation required if a UNSW Preferred Supplier is used for the purchase of the good or service.</u></p>



Value of Procurement (Thresholds)	Approved procurement process and conditions	Considerations
<p>\$30,001 to \$250,000 including GST</p>	<p>A minimum of at least three (3) written quotes which represents best value for money is required.</p> <p><u>UNSW Preferred Suppliers should be used if in existence.</u></p> <p>NSW Government or Procurement Consortium agreements may be used</p> <p>A purchase order must be raised in NS Financials.</p>	<p>If, despite reasonable efforts to obtain the required number of quotations, fewer than the required number of quotes are received, or only a single source or specific or unique supplier exists, the procurement activity may proceed if authorised by the appropriate financial delegate. Copies of quotations must be attached the approval/purchase order request.</p> <p><u>No quotation required if a UNSW Preferred Supplier is used for the purchase of the good or service.</u></p>
<p>More than \$250,000 including GST</p>	<p>Goods and services valued over \$250,000 <u>are subject to preparing a sourcing strategy to proceed to open tender.</u></p> <p>The “value” must be the estimated value over the proposed term of the acquisition and not a value per annum.</p>	<p>A closed Tender may be conducted if:</p> <ul style="list-style-type: none"> • Pre-qualified through a publicly advertised Expressions of Interest (EOI) or Requests for Information (RFI); or • Only a single source or a limited number of suppliers exist for a closed tender or an identified direct negotiation but where; <ul style="list-style-type: none"> ○ Prior written approval from Strategic Procurement is first obtained and a tender exemption granted <p>A tender exemption request must be completed and approved by Strategic Procurement prior to any change to process and conditions. The tender exemption request must provide sufficient information and demonstrate why an exemption should be granted and must be documented to demonstrate that the procurement procedure and resulting decisions adhere to UNSW’s probity, ICAC and audit obligations. The procurement process must be documented and traceable.</p>

The thresholds in the table apply to the estimated total value of the contract or purchase including GST for the procurement of the goods or services, including supply, freight, installation, implementation, training and ongoing service, support and maintenance over the whole term of the procurement activity.

Staff must not divide the value of procurement activity into separate transactions for the purpose of bringing it below:

- The threshold value at which additional quotes are required
- The threshold value at which a formal quote or tender is required
- The threshold at which financial delegation limit applies.

There must be no order or invoice splitting to circumvent procedures or delegation levels.

UNSW will not pay suppliers in advance for the supply of goods or services (except where a legitimate deposit is required and approved by the relevant delegate of the whole purchase to secure the goods or services). UNSW will pay suppliers following the receipt and acceptance of goods or services 30 days from receipt of a valid invoice.

Staff responsible for the purchase must ensure that the payment structure is clearly defined and communicated to the delegate approving the purchase and should be clearly documented on the purchase order or agreement.

Purchase order and payment for procured goods or services must be made in accordance with UNSW's accepted methods.

5.2 UNSW Preferred Suppliers

Strategic Procurement will establish contracts as “preferred supplier” arrangements under this procedure and will be detailed on the Finance website – Buying Guide.

https://www.fin.unsw.edu.au/OurServices/Procurement_BuyingGuide.html

Staff should use UNSW preferred suppliers if there is an arrangement in place for the goods or service being procured.

Staff may procure goods or services from a UNSW Preferred Supplier without the need to obtain quotes in accordance with the Procurement matrix in section 5.1 and with the relevant delegate's approval.

5.3 UNSW Panel Suppliers

Strategic Procurement will qualify suppliers as UNSW Panel Suppliers of specific goods and services under this procedure. These suppliers will enter into an agreement with UNSW that provides the ability for UNSW to procure goods or services under agreed UNSW terms and conditions. These suppliers will be identified on the Finance website – Buying Guide under Panel Suppliers.

https://www.fin.unsw.edu.au/OurServices/Procurement_BuyingGuide.html

Staff may procure goods and/or services from a UNSW Panel Suppliers by following the approved process and thresholds detailed in the procurement matrix in section 5.1 e.g for a requirement >\$30K and <\$250K (incl GST) 3 quotes must be obtained, and with the relevant delegate's approval.



5.4 NSW Government or Procurement Consortiums

The NSW Government enters into contracts for the supply a range of goods and/or services, Universities may procure goods and services under these contracts. Similar arrangements are also available through Procurement Consortiums such as Higher Education Services Pty Ltd (HES) and Council of Australian University Directors IT (CAUDIT).

Staff may procure under a NSW Government or Procurement Consortium contracts following the approved process and thresholds detailed in the procurement matrix in section 5.1 e.g for a requirement < \$250K (incl GST) 3 quotes must be obtained, , and with the relevant delegate's approval where the total value is <\$250K including GST.

NSW Government contract details are available to all staff following registration as a website user. Registration and contract information for NSW Government and Procurement Consortium suppliers is available from Strategic Procurement.

5.5 Quotations

Staff seeking quotes must follow the Procurement principles, requirements and the approved process outlined in this procedure. Before seeking quotes, staff should establish if a UNSW Preferred Supplier, UNSW Panel Supplier, NSW Government or Procurement Consortium is available for the goods or services they wish to purchase.

Strategic Procurement has guidelines available to assist staff undertaking procurement activities and offer a suite of pro-forma templates available for use when seeking quotes.

An RFQ may be issued via the UNSW electronic TenderBox.

https://www.fin.unsw.edu.au/OurServices/Procurement_Tendering.html

Staff will need to register with Strategic Procurement for access to the UNSW electronic TenderBox. Email: procurement@unsw.edu.au

5.6 Tenders

Staff seeking tenders must follow the Procurement principles, requirements and the approved process outlined in this procedure. Before seeking tenders, staff should establish if a UNSW Preferred Supplier, UNSW Panel Supplier, NSW Government or Procurement Consortium exists for the goods or services they wish to purchase. Assistance should also be sought from Strategic Procurement as soon as possible to assess whether it is appropriate to include in the tender documents a UNSW standard agreement.

Strategic Procurement has guidelines available to assist staff undertaking procurement activities and offer a suite of pro-forma templates available for use when seeking tenders.

All tenders must be issued via the UNSW electronic TenderBox.

https://www.fin.unsw.edu.au/OurServices/Procurement_Tendering.html

Staff will need to register with Strategic Procurement for access to the UNSW electronic TenderBox. Email: procurement@unsw.edu.au

5.7 Establishing UNSW Supplier Arrangements

UNSW supplier arrangements will be subject to a contract/agreement with the University and such contracts/agreements are subject to standards and advice from Strategic Procurement.

A supplier must be created in NS Financials in accordance with Finance vendor creation process:

https://www.fin.unsw.edu.au/OurServices/FinancialOperations_AccountsPayable_VendorCreation.html

A purchase order must be raised in NS financials in accordance with the Purchase Order procedures.

https://www.fin.unsw.edu.au/files/PP/Purchase_Order_Procedure.pdf

UNSW supplier agreements must be reviewed regularly by the responsible area to ensure compliance.

Strategic Procurement has guidelines available to assist staff in managing suppliers. Reviews must be forwarded to Strategic Procurement who will keep records of these reviews for consideration in future tender processes.

5.8 Direct Negotiations

Occasionally there is a need to enter into direct negotiations with a particular supplier without seeking competitive quotes or tenders from the market. This is different to a situation where quotes or tenders are sought through a competitive process but only one quote or tender is received. Direct negotiations relate specifically to situations where no quote or tender process is undertaken.

Typically this can occur:

- where there is only one available supplier for the goods and/or services;
- where there is an ongoing or associated project and there is a compelling case to continue with a particular supplier;
- where there is a legitimate reason to renew or rollover a contract;
- in cases of emergency

Direct negotiations may involve significant risk and it is essential that proper process is followed and that a unique or incumbent supplier is not unfairly or improperly advantaged. Staff involved in direct negotiations should seek advice on requirements from the Strategic Procurement and familiarise themselves with the "Guidelines for managing risk in direct negotiations" published by the ICAC.

Formal approval to enter into direct negotiations with a supplier for engagements >\$250K including GST must be sought in advance via a tender exemption request. An exemption to the tender threshold requirements must be submitted to Strategic Procurement for independent review and approval. The application must be endorsed by the relevant delegate by order of line management to the staff member intending to engage in the direct negotiation and acquisition. Exemption request must be able to provide tangible and objective evidence of sole supplier status or good performance in the case of incumbent suppliers and must demonstrate how the request meets the UNSW procurement principles (Value for money, Probity, Risk management and Fit for Purpose)

All approved exemptions will be recorded by Strategic Procurement.



5.9 Government Information (Public Access) Act requirements

The *Government Information (Public Access) Act 2009* (GIPA) requires UNSW to publish the relevant details of all contracts with a value of \$150,000 or more.

Where a procurement activity results in a contract for this amount or more the relevant details of the contract including copies of contracts executed by UNSW must be provided to Strategic Procurement for recording into the procurement contract register and published by UNSW.

6. Review & History

This procedure will be reviewed by the Director of Strategic Procurement annually.

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1.0	Acting Vice-President, Finance and Operations	5 August 2014	5 August 2014	This is a new Procedure

Archived document