



<b>Policy Hierarchy link</b>	<b>Procurement Policy</b>		
<b>Responsible Officer</b>	Chief Financial Officer and Vice-President		
<b>Contact Officer</b>	Director Strategic Procurement Email: <a href="mailto:procurement@unsw.edu.au">procurement@unsw.edu.au</a>		
<b>Superseded Documents</b>	Procurement Procedure v1.0 approved 5 August 2014		
<b>File Number</b>	2015/28843		
<b>Associated Legislation</b>	<ul style="list-style-type: none"> <li>• NSW Government Guidelines on Procurement</li> <li>• Government Information (Public Access) Act 2009</li> <li>• NSW Public Finance and Audit Act 1993</li> <li>• ICAC Act 1997 &amp; ICAC Tendering Guidelines 1997</li> <li>• Waste Avoidance and Resource Recovery Act 2001</li> </ul>		
<b>Associated Documents</b>	<ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Procurement Guidelines</li> <li>• UNSW Code of Conduct</li> <li>• Work Health and Safety Policy and Procedures</li> <li>• Credit Card Procedure</li> <li>• UNSW Register of Delegations</li> <li>• Gifts and Benefits Procedure</li> <li>• Purchase Order Procedure</li> <li>• Recordkeeping Policy</li> <li>• Conflict of Interest Policy</li> <li>• Fraud and Corruption Prevention Policy</li> <li>• Environment Policy</li> </ul>		
<b>Version</b>	<b>Authorised by</b>	<b>Approval Date</b>	<b>Effective Date</b>
2.0	Chief Financial Officer and Vice-President	12 August 2015	12 August 2015

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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:

**Contract** means an agreement between two or more parties (supplier and UNSW) that sets out what will be delivered at what cost. This may be a UNSW Purchase Order, a UNSW template contract, a UNSW Contractor/Consultancy agreement or other form of contract.

**Consultant** means an external person or organisation engaged to provide professional or expert advice in a specific field. They have greater subject matter expertise than would be feasible for UNSW to retain in-house and are typically engaged on short term basis.

**NS Financials** means UNSW's finance system, which is a software application, provided by Oracle/PeopleSoft. The system is referred to as NS Financials at UNSW. It is the technology used for purchasing (and other) financial processes and transactions.

**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 requirement 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/or endorsement by Strategic Procurement. 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; and
- (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; and
4. Fit for purpose.

### **4. Procurement Requirements**

All Staff involved in Procurement activities will ensure the following requirements are met:

#### **4.1 Adherence to Procurement Processes**

All Procurement activities must be conducted in accordance with Section 5 of this Procedure.

#### **4.2 UNSW Preferred Suppliers**

UNSW Preferred Suppliers should be used when procuring that good or service, if available.

The Buying Guide provides information on [UNSW Preferred Suppliers](#).

#### **4.3 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).

#### **4.4 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](#).

#### **4.5 Delegations and Approval**

Procurement of goods or services can only be approved by persons holding the relevant delegation and appropriate authority for the total value of the purchase including GST (not the annual value). Information on these delegations can be found in the [Register of Delegations](#).

#### **4.6 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](#).

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.

#### **4.7 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 the project sponsor, 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.

#### **4.8 Record Keeping**

Accurate and thorough records must be maintained throughout all Procurement processes and filed on TRIM. For further information, please visit the [Records and Archives Office website](#).

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).

#### **4.9 Environment and Sustainability**

Sustainability is a guiding principle in UNSW's strategic direction. This means the environment and sustainability should be embedded in every activity at UNSW. 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 considering the life of goods and services and their disposal; and
  - energy and water efficient goods with 4 star and above energy and water efficiency rating; and
- suppliers' socially responsible practices including compliance with legislative obligations to employees.

Further information about managing environmental risks can be found on the [Sustainability website](#).

#### **4.10 Work Health and Safety**

Health and Safety (HS) specifications must be identified for services being procured and goods being purchased.

- HS specifications should be documented in tender documents;
- Selection process should include evaluation of tenders against HS specifications;
- HS requirements should be included in Contract documents for successful tenderer including compliance against legislation and standards;
- HS documents submitted by successful tender should be evaluated prior to engagement;
- Processes should be outlined for any failure to meet specifications; and
- A pre-purchase checklist must be used prior to the purchase of any equipment with a potential to cause harm and injury:

[https://www.ohs.unsw.edu.au/sites/default/files/documents/HS633\\_a\\_pre\\_-\\_purchase\\_form.pdf](https://www.ohs.unsw.edu.au/sites/default/files/documents/HS633_a_pre_-_purchase_form.pdf).

For further information, please refer: <http://www.safety.unsw.edu.au/>.

#### **4.11 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 Chemicals Procedure](#), and any local faculty or school procedures and guidelines.

For further information, please refer: <http://www.safety.unsw.edu.au/>.

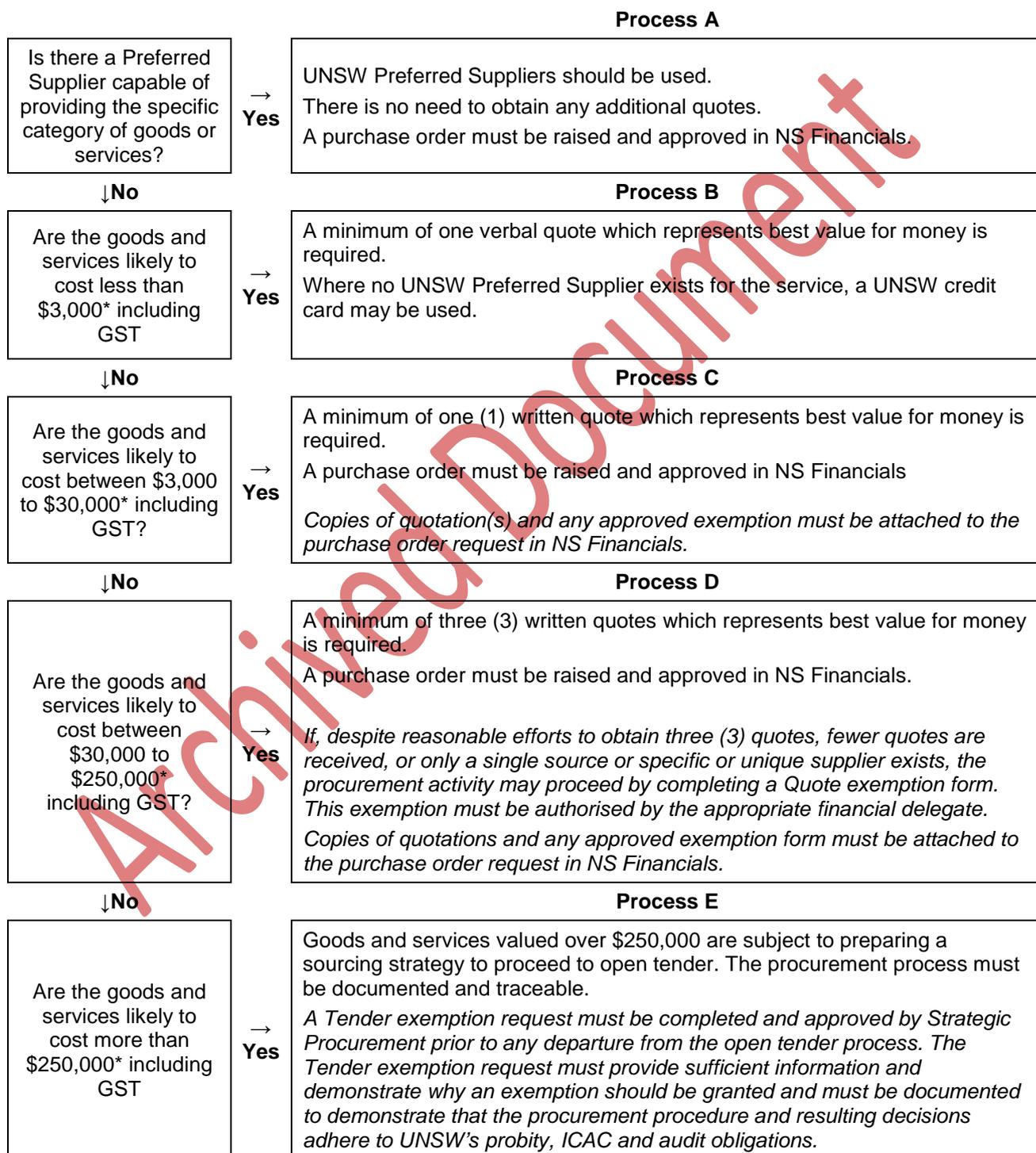
## 5. Procurement Process

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](mailto:procurement@unsw.edu.au).

### 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 decision flow.



\* The 'cost' in the decision flow above must be the estimated costs over the proposed term of the acquisition including GST, supply, freight, installation, implementation, training and

ongoing service, support and maintenance over the whole term of the Procurement activity, and not a cost per annum.

Staff must not divide the value of a 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; or
- 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. An exception is where a legitimate deposit is required and approved by the relevant delegate of the whole purchase to secure the goods or services. In that case, Staff should always try to negotiate to pay as little as possible upfront in order to minimise UNSW's exposure. 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 UNSW delegate approving the purchase and should be clearly documented on the purchase order or the Contract.

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

## **5.2 Engaging Independent Contractors and Consultants**

UNSW engages a range of professional specialists to assist with various projects across UNSW Faculties and Divisions. These services are generally obtained from independent contractors or Consultants whenever 'in house' resources are not available or it is considered to be in a project's best interest to do so.

As UNSW is accountable for the expenditure of public funds, it is important that the selection and appointment of all external contractors and Consultants be conducted in a professional and transparent manner. As the engagement of a contractor or Consultant is a Procurement of services, Staff must follow the Procurement process identified in section 5 (Procurement process) applicable to the cost of the Procurement (Thresholds).

This information applies only to independent contractors and Consultants. When engaging any type of labour via a recruitment agency, please liaise with Human Resources about the appropriate process and UNSW Panel Suppliers to use.

## **5.3 UNSW Preferred Suppliers**

UNSW Preferred Suppliers are listed on the [Strategic Procurement website](#).

Staff should use UNSW Preferred suppliers if there is an arrangement in place for the goods or service being procured, in accordance with the decision flow in section 5.1 with the relevant delegate's approval.

## **5.4 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 a Contract 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 as [Panel Suppliers](#).

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

## **5.5 NSW Government or Procurement Consortiums**

The NSW Government enters into Contracts for the supply of a range of goods and/or services, and universities may procure goods and services under some of these Contracts.

Similar arrangements are also available through Procurement Consortia such as Higher Education Services Pty Ltd (HES), Council of Australian University Directors IT (CAUDIT), and Council of Australian University Librarians (CAUL)

Staff may procure under a NSW Government or Procurement Consortium contracts following the approved process and thresholds detailed in the decision flows in section 5.1. For example, for goods or services between \$30K and \$250K (incl GST), 3 written quotes must be obtained or a quote exemption may be approved where tendering process conducted by the Procurement Consortium can be demonstrated and validated.

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 are available from [Strategic Procurement](#).

## 5.6 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 for use when seeking quotes.

An RFQ may be issued via the UNSW electronic [TenderBox](#).

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

When ordering goods or services, Staff must attach copies of the quotes obtained (based on the decisions flows in section 5.1) and capture how the nominated supplier was selected when creating the purchase order record in NS Financials for the UNSW approver to review.

## 5.7 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](#).

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

## 5.8 Establishing UNSW Supplier Arrangements

UNSW supplier arrangements will be subject to a Contract with the University and such Contracts are subject to standards and advice from Strategic Procurement.

A supplier must be created in NS Financials in accordance with Finance vendor creation process. For further information, please visit the [Vendor Creation and Change website](#).

A purchase order must be raised in NS Financials in accordance with the [Purchase Order procedures](#).

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.

Further information can be found: [https://www.fin.unsw.edu.au/Procurement/About\\_Us.html](https://www.fin.unsw.edu.au/Procurement/About_Us.html)

## 5.9 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; or
- 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 [Strategic Procurement](#) and familiarise themselves with the "Guidelines for managing risk in direct negotiations" published by the ICAC (contact Procurement for a copy).

Formal approval to enter into direct negotiations with a supplier for engagements over \$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. Staff requesting exemption 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 tender exemptions will be recorded by Strategic Procurement.

## 5.10 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 [UNSW Legal](#) for recording and published by UNSW.

## 6. Review & History

This Procedure will be reviewed by the Director, Strategic Procurement annually.

Version	Updated by	Approval Date	Effective Date	Sections modified
1.0	Acting Vice-President, Finance and Operations	6 August 2014	6 August 2014	This is a new Procedure
2.0	Chief Financial Officer and Vice-President	12 August 2015	12 August 2015 to 24 July 2016	Definitions and clauses 4.5, 4.7 – 4.10 and 5.1 – 5.10 including links