

# Procurement Policy

## Section 1 - Overview

- (1) The Procurement Policy is intended to guide all procurement activities at UNE in order to ensure the following:
- a. Value for money is achieved in all supplier arrangements;
  - b. Probity is at the core of all procurement activities;
  - c. There is compliance with approved contracts and that supplier relationships are managed to ensure negotiated value is realised;
  - d. Demand management is adopted as the default approach when using externally sourced goods and services in the course of business; and
  - e. Innovation from suppliers is leveraged where sensible.

## Section 2 - Scope

- (2) This policy applies to the following:
- a. The acquisition and consumption of all goods and services made by UNE staff or contractors either purchased or leased from external suppliers;
  - b. The acquisition and consumption of all goods and services made by UNE controlled entities staff or contractors either purchased or leased from external suppliers; and
  - c. The acquisition and consumption of all goods and services made by UNE Students, student associations and clubs with UNE money, including Higher Degree Research students, other post-graduate students, and undergraduate students.
- (3) This policy applies to the following core procurement related activities:
- a. Confirming business requirements related to procuring of goods and services;
  - b. Purchasing/sourcing of goods and services;
  - c. Administering supply contracts and buying activities related to the contracts including managing supplier performance and supplier relationships;
  - d. Managing demand related to the acquisition of goods and services from suppliers;
  - e. Leveraging supplier innovation for the benefit of UNE; and
  - f. Procurement planning and category management.
- (4) This policy applies to all capital and all operational spend. It applies to all spend no matter the source of funding, for example, spending of grant funding is subject to this policy.

# Section 3 - Policy

## Principles

(5) The following principles are central to the Procurement Policy and underpin the design of the Procurement Procedures. All who are involved in procurement activities must ensure that they operate in alignment with these principles and comply with the Procurement Delegations Schedule included with this policy. Those involved in procurement activities must also follow the published UNE [Procurement Procedures](#).

- a. All procurement activities should be conducted with probity and ethical behaviour.
- b. Procurement planning must be carried out by businesses, schools and directorates based on analysis of their purchasing patterns, business plans and future requirements, and supply agreements and markets.
- c. All procurement activities are to be carried out in line with approved financial delegations, approved procurement delegations, and with responsible financial management e.g. in line with budget or specific funding source.
- d. All procurement activities should aim to achieve best value for money. Value for money includes considering the total cost not just the purchase price. It takes into account: whole-of-life costs, fitness-for-purpose, quality, service and support, sustainability, delivery & turnaround timelines, and risk.
- e. Innovation is key to UNE continuing as a viable competitive organisation over time. Suppliers are an important source of innovation and procurement activities should support adopting innovation from suppliers.
- f. Strategic Procurement will be a centre of excellence for procurement advice, provision of methodology, and for helping with significant procurement activities.
- g. Contracts and suppliers should be managed to ensure that all agreements entered into deliver the value expected.
- h. A 'Statement of Business Ethics' (produced by the Strategic Procurement) must be provided to suppliers to UNE setting out UNE's expectations for dealing ethically with its staff. This should include reference to specific requirements relating to forced labour and human rights to support the abolition of "modern day slavery".
- i. All staff and contractors are expected to embrace positive demand management practices.
- j. All staff or contractors involved in procurement activities must be appropriately trained in accordance with training guidelines published by the Strategic Procurement.
- k. Leverage other official arrangements such as those from the NSW Government, CAUDIT, or Australian Universities Procurement Network when they are expected to offer best value.
- l. UNE will support regional suppliers where this does not conflict with probity principles and allows for achieving a best value for money outcome. Regional suppliers are to be given a full, fair and reasonable opportunity to supply UNE.
- m. Procurement related risks should be understood and actively managed through risk identification, assessment and the implementation of controls.
- n. All involved in procurement activities should consider the environmental and social impacts of purchases and show preference for suppliers who can demonstrate a commitment to environmental sustainability through strategies such as the minimisation of waste, reduction of energy costs, conserving resources and minimisation of greenhouse gas emissions.
- o. Strategic Procurement will provide regular reporting to the VC Tender Committee to support VC Tender Committee in performing their function in line with the terms of reference for VC Tender Committee.
- p. Separation of duties practices should be complied with when exercising procurement delegations.
- q. Persons involved in procurement activities should identify and manage conflicts of interest in accordance with UNE's [Conflicts of Interest Policy](#).
- r. Thorough and accurate records of procurement transactions must be kept in an appropriate corporate system.

- s. Safe design needs to be a consideration when procuring goods and services as safe design will reduce the chance of human failure. This includes a focus on function not just aesthetics. This should include compliance with relevant Government safety standards.
- t. The procurement processes for purchasing hazardous substances, dangerous goods and other high risk equipment or substances must comply with UNE [Workplace Health and Safety](#) Rule, WHS Acts, Regulations and codes including Australian Dangerous Goods Code.
- u. Procurement related to human anatomy should comply with the UNE [Human Anatomy Policy](#).
- v. Emergency procurement procedures should only be used in those emergencies where the goods or services are required within a timeframe which will not allow for normal procurement procedures to be undertaken.

## Section 4 - Definitions

(6) Businesses referred to in this policy include UNE faculties, schools, directorates, or controlled entities.

(7) Contractors referred to in this policy are labour hire employed to fulfil a role similar to an employee even if they have an ABN rather than a construction contractor with a separate ABN hired to deliver an outcome.

(8) Demand management is a proven mechanism to take costs out of an organisation without further reducing its capacity to execute. With demand management, UNE can address the underlying drivers of external spending, align purchases to business needs and eliminate unnecessary consumption. Examples include considering if the "gold plated" solution is really necessary or would a regular fit for purpose solution suffice. Another example is choosing black and white printing instead of more expensive colour printing.

(9) Emergency procurement procedures are designed for purchasing in emergency situations that require immediate action. In normal circumstances purchasing should be a planned process following standard processes. An emergency situation exists when an incident occurs, requiring immediate action to be taken in order to preserve life, health or property. Such conditions could occur for example in a natural disaster. A lack of appropriate planning does not constitute an emergency.

(10) Probity includes ensuring impartiality, achieving best value for money, ensuring consistency and fairness of process. It also includes ensuring confidential information is secured and protected, and the identification and resolution of real or perceived conflicts of interest. This requires clear accountability and transparency such that ethical behaviour is easy to identify before, during, and after the procurement activity.

(11) Regional suppliers are those based near UNE in regional NSW. This includes but is not limited to suppliers headquartered in Armidale, Tamworth, and other regional towns in reasonable proximity to Armidale. Suppliers with operations based in and providing employment in regional towns near Armidale can also be included as a regional operator for the purposes of procurement.

(12) Safe design includes consideration of design that will help reduce the chance of human failure. For example rubbish skips with side opening doors are preferable to skips loaded from the top. Or surfaces which meet the cohesion of friction standard (not mandatory) will prevent slips or falls by people or cattle.

(13) Significant procurement is procurement over \$250,000 for the full term of the contract or high risk procurement.

(14) Sustainability involves development which meets the needs of present without compromising the ability of future generations to meet their own needs. This includes environmentally-friendly products, with reference to re-cycling, energy efficiency, scarce-resource efficiency, low-waste technology.

(15) Whole-of-life costs include planning, design, construction and acquisition (including procurement costs), operations, maintenance, renewal and rehabilitation, depreciation and cost of finance, and disposal.

# Section 5 - Procurement Delegations Schedule

## Quotation guidelines

Value	Quotation/Tenders
Up to \$10,000	Where a panel exists then adopt the number specified in the panel rules. If not specified, 1 reasonable quote which may be verbal or written required.
\$10,000 to \$50,000	Where a panel exists then adopt the number specified in the panel rules. If not specified, a minimum of 2 written quotes.
\$50,000 to \$250,000	Where a panel exists then adopt the number specified in the panel rules. If not specified, a minimum of 3 written quotes.
Over \$250,000	Open tender where no panel exists. Where a panel exists then adopt the number specified in the panel rules. If not specified, a minimum of 3 written quotes from the panel.

### (16) Notes:

- Value is the total value of the contract over the full term of the contract or the full value of the transaction. This value is GST inclusive.
- Numbers of quotes is the minimum required - more can be obtained if necessary.
- When purchasing UNE endorsed catalogue items then quotations are not required.
- Where an exclusive sole supply arrangement is in place with a supplier then only 1 written quote needs to be obtained from that supplier irrespective of the value. List of approved sole supply arrangements must be obtained from Strategic Procurement.
- Where purchases can only be made at auction then written quotes are not required.
- Quotes from panel of suppliers must be in line with the rules for that panel.
- Quote rules apply to purchases from online shops as well.
- Exemptions to the above need to be approved as per quotation exemption delegations.

## Quotation Exemptions

### (17) UNE standard exemptions may be granted on the following basis:

- There is no competitive marketplace for the well-defined requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation or where the requirement involves a proprietary product or service.
- There has been a previous determination or there is a need to standardise the requirement.
- License or subscription renewal.
- The proposed procurement contract is the result of cooperation with other organisations and it is agreed that the other organisation's requirements prevail.
- Offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive.
- Within a reasonable prior period, a formal solicitation has not produced satisfactory results.
- The proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition.
- There is an exigency for the requirement for safety & security reasons or business continuity.
- The proposed procurement contract relates to obtaining services that cannot be evaluated objectively.
- The value of the procurement is below the monetary threshold established for formal methods of solicitation i.e.

\$10 000.

k. Unforeseen minor variation to a contract e.g. small scope change on a project.

l. Direct negotiation or selective tendering will deliver the best value outcome for UNE.

(18) Exemptions should be approved prior to engaging any supplier.

### Quotation Exemption Delegations

Value	Authorised to grant exemption
Up to \$250,000	Category Managers in Strategic Procurement
\$250,000 to \$2M	Director Strategic Procurement
Over \$2M	Chief Financial Officer
Any value for Non Standard Exemptions	Vice-Chancellor and Chief Executive Officer

(19) Notes:

- Financial delegations are still required from the appropriate financial delegate prior to expenditure even if an exemption to standard quotation processes has been approved.
- Exemptions should be completed as per procurement procedures and should be filled out on the official exemption form and approved prior to engaging a supplier.
- Record of the exemption must be saved with the Purchase Order at the time of placing an order with the successful supplier.
- Where Strategic Procurement is the originator of the exemption, then the Chief Financial Officer or Chief Financial Officer must sign the exemption as a second person and approver.
- Exemptions must be reported to leaders as part of a feedback loop on procurement practices to help ensure poor planning does not result in extra exemptions being required.
- All exemptions over \$250, 000 must be reported to the Vice-Chancellor and Chief Executive Officer.

### Sourcing Delegations

[Click here for Sourcing Delegations](#)

(20) Notes:

- All delegation levels are the minimum and can be approved by a higher level of authority.
- Where no specific role is noted then a person with appropriate responsibility should be nominated by the Director or Head of School.
- Approval should not be granted until such time as the approver is satisfied that appropriate endorsement has been received.
- The person approving the outcome of the procurement process should not be the same person who was involved in conducting the actual procurement process in order to maintain appropriate separation of duties. This requirement also applies to variations to contracts including extensions, and spending of contingency budgets.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	27th July 2015
<b>Review Date</b>	31st October 2021
<b>Approval Authority</b>	Vice-Chancellor and Chief Executive Officer
<b>Approval Date</b>	19th December 2013
<b>Expiry Date</b>	To Be Advised
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## Glossary Terms and Definitions

**"Student"** - Is an admitted student or an enrolled student, at the relevant time: 1. an admitted student is a student who has been admitted to a UNE course of study and who is entitled to enrol in a unit of study or who has completed all of the units in the UNE course of study; 2. an enrolled student is a student who is enrolled in a unit of study at UNE.