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DEFINITIONS

OVERVIEW AND SCOPE

These procedures, which form part of the Financial Management Policy & Procedures, set out the principles and processes for the procurement of goods and services on behalf of the University of Adelaide, and apply to staff, students or titleholders and the procurement of all goods and services using University funds, regardless of revenue source. Goods, services and intellectual property purchased using University funds remain the property of the University.

Staff engaging in procurement activities should also refer to the Supplier & Payment Procedure.

ROLES AND RESPONSIBILITIES

Strategic Procurement Team	Provides strategic sourcing advice and support to the University as well as coordinating, facilitating and managing procurement activities and establishing contracts with Preferred Suppliers.
Purchasing Team	Processes eProcurement Requisitions and Purchase Orders on behalf of the University, including supplier administration and compliance.
Requestor	A staff member (and by exception student or titleholder) authorised to raise and submit Requisitions in ePro – the University's online procurement system.
Cardholder	A staff member authorised to hold a University corporate credit card.
Expenditure Delegation Authority	A staff member authorised with the appropriate delegated expenditure limit to cover the cost of the purchase.
Tender Evaluation Panel (TEP)	A select group of people who assess tenders and provide recommendations on award of contract.

PROCUREMENT PRINCIPLES

Goods and services must only be purchased to support a University activity, and not for the benefit of individual staff members or external entities. University staff, students and titleholders must ensure that all procurement activities comply with the following principles:

- **Value for money** – based on fit for purpose, price and quality; and includes whole-of-life costs such as installation, operation, maintenance and disposal.
- **Probity and equity** – procurement decisions are made with integrity, in a fair and ethical manner with transparent purchasing processes.
- **Responsible Procurement** - purchasing activities are undertaken in a manner that supports the University's commitment to ethical sourcing and sustainable procurement practices, our procurement targets in the [Reconciliation Plan](#) and the University's obligations under the [Modern Slavery Act 2018](#).
- **Risk & Hazard Management** - procurement activities are appropriately assessed to mitigate risks in regard to health & safety, commercial outcomes and comply with the University's [HSW Handbook](#), and [Risk Management Policy](#).

PROCEDURES

1. Procurement methods

The procurement of goods and services must be through a Purchase Order (via a Requisition in ePro), unless an [exception](#) has been approved, or on a University [corporate credit card](#) where applicable. It is the responsibility of the Requestor / Cardholder to ensure that each procurement activity, regardless of value or purchasing method, is assessed against the Procurement Principles set out in these procedures, the budget owner is in agreement and sufficient funds are available.

2. Use of UoA Preferred Suppliers

[Preferred Suppliers](#) are selected by the University to provide the best value for money and include factors such as overall price, reliability, transaction cost and risk. Where a Preferred Supplier/s exist for the required product or service they must be used unless an exemption is granted (refer point 3). Online catalogue orders for Preferred Suppliers under \$4,000 are auto-approved by the system, and subsequently reviewed and approved by the Director, Procurement Services. Further information may be requested from the Requisitioner as part of this process.

3. Exemption principles

If there is a legitimate reason why the standard procurement threshold requirements (refer point 4) are not appropriate, staff can request an exemption. Exemptions will only be granted in exceptional circumstances based on business necessity and merit, and cannot be used for the purpose of avoiding a competitive process. Failure to allocate insufficient time required to conduct a procurement process will not justify the approval of an exemption request.

When [applying for an exemption](#), staff must be able to provide tangible, objective and factual documented evidence of the reasons for the exemption and must demonstrate how the request meets the University's Procurement Principles.

Where an exemption seeks to undertake a direct negotiation (i.e. a negotiation with a single supplier), this involves significant risk and it is essential that proper process is followed so that the supplier is not unfairly or improperly advantaged, and the University's best interests are served – [refer to guidelines](#).

Assessment of the exemption request includes, but is not limited to the following principles;

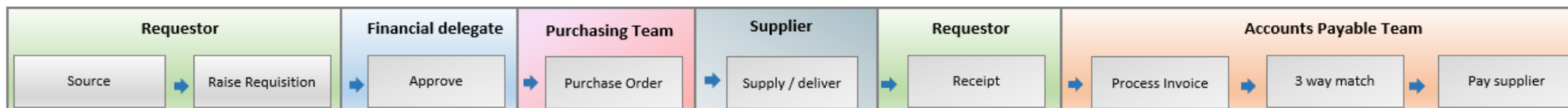
- Compliance with the University's Procurement Principles
- As an additional element required for an existing asset or service
- Contractual obligations (e.g. research grant contract stipulation)
- Documented evidence that equipment or service is unique and there are no viable alternative suppliers
- Purchasing from a supplier which is a social enterprise or an Aboriginal and Torres Strait Islander owned business
- Insufficient stock levels held by existing preferred suppliers (<\$20k)
- Unable to be provided by existing preferred suppliers (<\$20k).

4. Procurement thresholds and processes

It is the responsibility of the Requestor / Cardholder to ensure that each procurement activity, regardless of value or purchasing method, is assessed against the principles set out in these procedures, the budget owner is in agreement and sufficient funding is available, and approved, in accordance to [University Expenditure Delegations](#).

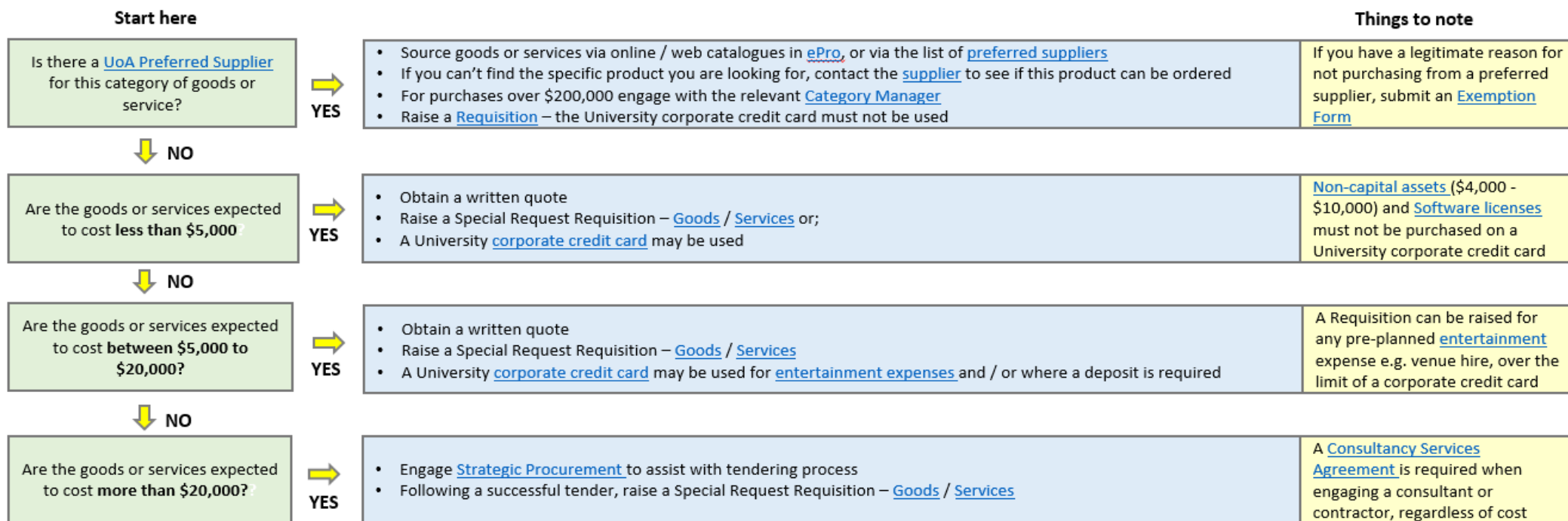
For an interactive version of this process flow go to www.adelaide.edu.au/finance/procurement/about/process/

Procure to pay cycle



***PO Exception** - there are some exceptions to the requirement to raise a Requisition e.g. where a supplier provides a consolidated invoice or government charges – refer to [list](#) for categories.

***Contractor Management** - prior to engaging a contractor or consultant, refer to the [Contractor Management](#) page to determine if it's appropriate to engage them as a contractor.



- The figures represent total purchase value over the whole life of the contract or commitment at the time the commitment is made
- The value figures are in AUD and exclude GST
- Splitting a purchase to avoid an expenditure threshold is not permitted
- A [tender process](#) must also be followed for extensions to contracts where the contractual term does not include a provision for an extension (refer point 9)
- A [University contract](#) may be required at any spend level depending on the nature of the goods and/or services provided. Contact [Strategic Procurement](#) for further advice.

5. Special requirements for IT Acquisitions

IT acquisitions including [Software](#) and [Hardware](#) (refer to Definitions) [third party hosted “cloud” services](#), or the development and implementation of IT application solutions or services, must align with the University’s [Technology Strategy](#), comply with [ITDS Policy & Procedures](#) and be purchased through the University’s [Preferred Supplier/s](#), unless an [exemption](#) is approved.

Requests for new Software not offered by ITDS must be submitted via the [Software Assessment Form](#). Once approved, this must be attached to a Special Request Requisition in ePro.

Software purchases on a corporate credit card are not permitted.

6. Behaviour and Conduct

All staff who are involved in procurement activities (e.g. negotiating with potential suppliers or on a tender panel), must conduct themselves in a responsible manner and should not participate in any procurement activity where an actual, perceived or potential conflict of interest exists. Conflicts of interest should be disclosed and/or managed under the [Conflict of Interest Procedure](#).

All procurement must be conducted in accordance with this procedure and the [Code of Conduct](#). Failure to comply with University Policies may constitute misconduct. The University may take disciplinary action under the [University of Adelaide Enterprise Agreement](#), up to and including termination of employment.

7. Staff negotiating directly with suppliers – less than \$20,000

Nothing in these procedures prevents staff from negotiating directly with suppliers to obtain a more favourable price than is being received in a quote. Strategic Procurement are available to offer expert advice and should be brought into negotiations at an appropriate time. When negotiating with potential suppliers:

- Ensure the University’s Procurement Principles are met
- Suppliers must provide [valid tax invoices](#) within the University’s standard payment terms.
- If negotiating with a private seller or online market place for either new or used goods, seek advice from Strategic Procurement regarding the associated risks and obtain approval prior to making any commitment
- Avoid requirements for payment of a deposit, and the issue of other types of pro-forma (preliminary) invoices, either by negotiating terms or using an alternative supplier. If payment of a deposit is unavoidable, make payment with a corporate credit card, subject to the [Corporate Credit Card Procedures](#)
- Use a University [contract template](#) where possible.

8. Tender process – over \$20,000

a) Between \$20,000 - \$200,000

Where a University Preferred Supplier does not exist, a [tender process](#) must be applied for all proposed transactions with a total purchase value between \$20,000 and \$200,000 (AUD) over the contractual term, including extension options where the contractual term does not include a provision for an extension. To initiate a tender, submit a [Procurement Plan](#).

To ensure transparency and probity, the University uses an [eTendering portal](#) to publish [RFx](#) and other market activities requiring responses from suppliers. The portal also allows the University to reach a large number of potential suppliers and run tenders in an efficient, and cost-effective way. Strategic Procurement manages the eTendering process in consultation with the Requestor.

All University [RFx](#) are open (available to all suppliers) except where there are exceptional reasons not to, such as confidentiality issues or sensitive nature of requirements. [Closed tenders](#) (limited to selected suppliers) must be approved by the [Director, Procurement Services](#). This will be based on an assessment of complexity, scope, opportunities, risks and confidentiality or sensitivity issues associated with the procurement objectives, as well as the level of competition in the supply market.

b) Over \$200,000

In addition to a) above, the following process must also be applied for all proposed transactions with a total purchase value of \$200,000 (AUD) or more over the contractual term, including contract extensions where the contractual term does not include a provision for an extension. It may also be applied for lower value transactions, at the discretion of Strategic Procurement.

Responsibility: Strategic Procurement

- In collaboration with the Requestor, compile a [Procurement Plan](#) including background, timelines, engagement strategy, probity requirements, evaluation criteria, high level implementation and Tender

Evaluation Panel (TEP) members. The Requestor must ensure that the TEP has adequate technical or operational knowledge of the goods or service and is representative of all stakeholders in order to enable probity and meaningful input into the tender evaluation process

- In consultation with the Requestor, develop the appropriate [RFx](#)
- Set tender closing date at a minimum of 14 days after issue of tender documentation (unless otherwise approved by the Manager, Strategic Procurement)
- After closing date, open tender responses and forward to TEP, including any late responses clearly identified
- Ensure all documents are properly recorded and managed
- Involve the Legal & Risk Branch if the proposed transaction arrangements deviate from standard University contracts/templates
- Negotiate formal agreement arrangements with the preferred tenderer, if required

Responsibility: Tender Evaluation Panel

- Declare any [conflicts of interest](#) to the [Director, Procurement Services](#)
- Have completed the [ICAC induction for Public Officers](#) course and provided a copy of their completion certificate to Strategic Procurement
- Must not accept any gifts or benefits (meals, invitation to events etc.) associated in any way with the tender process
- Administer the tender process in accordance with the applicable tender conditions
- Evaluate the responses against pre-determined evaluation criteria, and in accordance with these procedures

Responsibility: TEP Chairperson and Strategic Procurement

- Following evaluation, complete a [Memorandum](#) with recommendation for the successful tenderer, for approval by the [delegated expenditure authority](#) in that faculty or division. Where necessary a [Procurement Report](#) will be drafted by Strategic Procurement and added to the Memorandum.

9. Contract management and contract extensions

Anyone intending to enter into a contract or extend an existing contract with a supplier for the purchase of goods or services in excess of \$20,000 should engage with Strategic Procurement who can provide advice. It is recommended that the standard University [contract templates](#) be used. Detailed guidance on how to negotiate and manage contracts or agreements is contained in the [Contract Management Handbook](#) or refer to the [Legal & Risk website](#).

10. Record keeping

As a publicly funded institution in accordance with the State Records Act 1977 (SA), the University must produce evidence of its activities and decision-making. Documentation pertaining to procurement activities and tender processes must be recorded in the University's record management system as per the [University Records Policy](#).

DEFINITIONS

eProcurement (ePro)	The University's online procurement system for ordering goods and services.
Preferred Supplier	A supplier who has been evaluated through an approved procurement process by Strategic Procurement and with whom the University has entered into a formal contract for the provision of specified goods or services.
Requisition	A Requisition is a request raised in ePro for items or services needing to be purchased. The Requisition would include details such as quantity, supplier, price, delivery location etc.
Purchase Order (PO)	A formal commitment from the University to the supplier raised in ePro to order and pay for the goods or services requested. A PO requires financial approval by a staff member with the appropriate expenditure delegation authority.
Request for Quote (RFQ)	A RFQ is a standard business process whose purpose is to invite suppliers to bid on specific products or services
Request for Tender (RFT)	A RFT is a document which contains detailed specifications or scopes of work and requires a detailed response with full pricing.
Request for Proposal (RFP)	A RFP is a document used to canvass potential solutions from suppliers when the specifications or requirements are unclear or less prescriptive. It requires suppliers to propose solutions as to how the scope will be met, as well as complete pricing details.

Expressions of interest (EOI)	An EOI does not necessarily bind the supplier to provide pricing details and is often issued to seek preliminary information from potential suppliers before being followed by an RFT or RFP.
Request for Information (RFI)	A document used to gather information about suppliers and their capabilities prior to a formal procurement process
RFx	A term that encompasses the entire eTendering process and can include any of the following: RFQ, RFT, RFP, EOI, RFI and EOI.
Software	<ul style="list-style-type: none"> • System software - operating system (e.g. Windows, Linux, OS10 etc.) • Application software – off the shelf programs (e.g. Word, Outlook, Adobe Acrobat Pro) • Programming language software – use to create programs (Java, c #, python) • Plugin application – adds functionality to an existing program / application (zoom plugin to outlook)
Hardware	<ul style="list-style-type: none"> • The physical components of a computer or other item of equipment including the microprocessor, hard discs, RAM, motherboard and peripheral devices