Introduction:

The purpose of this document is to inform you on the process and timing for compilation of the 2015 Procurement Plan for each University division. The Procurement Plan must adhere to the Procurement guidelines (.pdf, 122KB)*

Strategic Procurement Planning entails the coordination of all University procurement activities, organising major supply agreements for common use goods and acting as an advisory body for procurement related matters. The Office of Strategic Procurement is seeking planning information with which to commence this process for the 2015 Financial Year.

A Procurement Plan is a written plan with designated details to enable appropriate consideration and approval for proposed procurement activity. A Template for the Procurement Plan is provided for this purpose. The Procurement Plan Template, definitions of each method are included at the end of this document to assist with the compilation of the template.

**New to the plan in 2015** is the need to understand if areas believe that they are purchasing from a collaboration or aggregation agreements at either a local, regional, state or national level so that we can document these aggregated arrangements for the benefit of the University as a whole.

Contract Management in Procurement includes analysis for the purpose of driving and maximising financial and operational performance and minimising risk in the procurement process, usually commencing with a tender and selection of a supplier, pricing and negotiating the terms and conditions. It can be summarised as the process of systematically and efficiently managing contract creation, execution, and performance as part of the procurement life cycle.

**Procurement Thresholds**

The following Procurement Thresholds should determine the procurement method undertaken unless a formal agreement is established after transparently approaching the marketplace. In some instances collaborative or aggregated agreements at local, state, regional or national level can be used when the pricing and terms and conditions are favourable and provide value added savings.

Note: only collaborative contracts can be used if the Office of Strategic Procurement has approved the use and if they do not conflict with existing University agreements with other suppliers.

<table>
<thead>
<tr>
<th>Value</th>
<th>Quotations / Tenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 but less than $1,000</td>
<td>At least one verbal quotation is to be obtained</td>
</tr>
<tr>
<td>$1,000 but less than $5,000</td>
<td>At least one quotation in writing</td>
</tr>
<tr>
<td>$5,000 but less than $10,000</td>
<td>A minimum of two quotations must be obtained wherever possible, which may be verbal, however, written confirmation is required from the preferred supplier prior to acceptance.</td>
</tr>
<tr>
<td>$10,000 but less than $100,000</td>
<td>A minimum of three quotations must be obtained wherever possible; all of which must be in writing</td>
</tr>
</tbody>
</table>
2015 Procurement Plan

Procurement activities to consider when Planning

When completing the division Procurement Plan please consider including some of the following activities that are sometimes overlooked as part of the normal procurement process:

- External consultancies costing >$10,000. Exemptions are normally only approved if the consultant has been specifically named in the research contract or it can be established that they are the only provider qualified to undertake the task at hand. Otherwise 3 quotations should be obtained.
- Enhancements to existing University systems; such as new reporting requirements, upgrades or licensing renewals.
- Replacement of existing equipment which has reached the end of its life-cycle;
- Project funded new equipment;
- Capital purchases such as laboratory equipment, scientific equipment or building upgrades.
- External teaching contracts costing >$10,000. (not casual employees via HRS)

Note: please do not include desktop computers or Multi Functional Printers (MFP’s) that are already on leasing arrangements as they will be renewed automatically.

Procurement Plan Timeline 2015

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2014</td>
<td>Procurement Plan Information distributed to divisional Managers</td>
</tr>
<tr>
<td></td>
<td>Covering instructions</td>
</tr>
<tr>
<td></td>
<td>Procurement Plan Template</td>
</tr>
<tr>
<td></td>
<td>Including major purchases, standing purchase orders and specific purchasing needs for 2015 including any local, state, regional or national aggregated purchasing behaviour.</td>
</tr>
<tr>
<td></td>
<td>Note: the majority of these items should be included in the 2015 Operational Planning and Budget submissions.</td>
</tr>
<tr>
<td>Friday 12th September 2014</td>
<td>Operational Plan Deadline with accompanying Budget submission</td>
</tr>
<tr>
<td></td>
<td>Draft Procurement Plans due</td>
</tr>
<tr>
<td></td>
<td>Submission via <a href="mailto:procurement@cdu.edu.au">procurement@cdu.edu.au</a> by no later than <a href="#">Friday 12th September 2014</a></td>
</tr>
<tr>
<td>October 2014</td>
<td>Strategic and Operational Initiatives finalised and budgets negotiations finalised.</td>
</tr>
<tr>
<td>19th November 2014</td>
<td>VCAG: Final overview of 2015 Council Budget</td>
</tr>
<tr>
<td></td>
<td>Final Procurement Plans due</td>
</tr>
<tr>
<td></td>
<td>Plans collated to form a schedule of procurement action for 2015</td>
</tr>
<tr>
<td></td>
<td>Cost Centre Managers contacted to confirm specifications and Procurement methods</td>
</tr>
<tr>
<td>Late January</td>
<td>Consolidated Procurement Plan tabled to Tender Committee for final sign off.</td>
</tr>
<tr>
<td></td>
<td>Purchasing begins after approval.</td>
</tr>
</tbody>
</table>
**2015 Procurement Plan**

**Definition of Terms**

**Procurement Plan:** is the required written plan with designated details to enable appropriate consideration and approval for proposed procurement activity.

**New Aggregation or Collaboration Agreement** – When your area has the opportunity to purchase goods or services from an established agreement from either local, regional, state or national Government Agencies or from a collective agreement established via membership collaboration (such as AUSFOG, AUPN, HES, CAUDIT) provided the terms and conditions match those of the University and the agreement does not conflict with existing University agreements with other suppliers.

**CoE:** Certificate of Exemption. Under certain circumstances there is provision to dispense with the requirement to seek quotations and or public tenders and confine enquiries to one or a selective number of suppliers. A Certificate of Exemption may be appropriate for requirements >$10,000 in circumstances where the observance of the request for quotation and or public tender process is impractical or inappropriate for all or some of the following reasons:

a) 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;

b) There has been a previous determination or there is a need to standardise the requirement;

c) License or subscription renewal;

d) The proposed procurement contract is the result of cooperation with other organisations and it is agreed that the other organisation requirements prevail;

e) Offers for identical products and/or services has been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;

f) The proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition;

g) There is an exigency for the requirement for safety & security reasons;

h) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively;

i) Unforeseen minor variation to a contract e.g. small scope change on a project;

**EOI:** Expression of Interest. A document that seeks preliminary information and interest from potential suppliers on their capability and willingness to respond by providing goods/services to the buyer. An EOI will often be followed by and RFT or RFP.

**Ongoing Supply Contract:** A contract or agreement between the buyer and supplier that covers the on-going supply of goods/services over a nominated period. Individual purchases can be made against an on-going supply contract by either setting up **Standing Purchase Orders** or by raising individual Purchase Orders that reference prices contained in the contract.

**RFQ:** Request for Quotation. A request to a supplier to provide a quotation covering the cost of providing goods or services prescribed in the RFQ. The purchasing thresholds determine if a RFQ is required based on the value of the goods or services being sought.

**RFP:** Request for Proposal. A formal request to a supplier to provide a detailed submission covering the cost of providing goods or services to the University. An RFP subtly differs from an RFT in that the buyer’s requirement is usually less prescriptive and not as tightly specified.

**RFT:** Request for Tender. A formal request to a supplier to provide a detailed submission covering the cost of providing goods and services prescribed in the RFT. The information in an RFT is generally more prescriptive than in
a RFQ and therefore seeks a more detailed response on the goods and services to be provided as well as overall cost factors. All procurement over $100,000 must be formally and publically advertised as a tender.

**Standing Exemption**: an exemption from the requirement for quotation/tendering for certain goods and services. Standing Exemptions require approval by the Procurement Tender Committee and are reviewed on an annual basis.

**Current Standing Exemptions include:**

1. **Library Subscription Services**
   Where those materials are available only from sole suppliers or via affiliation relationships.

2. **Works of Art**
   Covers permanent acquisitions such as paintings, prints, sculpture, carvings, pottery, craft work or literature as approved by the CDU Cultural Collections Advisory Board, or ephemeral activity such as specific exhibitions, performances, films and special events etc.

3. **Membership to Professional Organisations or Associations and National Peak Bodies**
   Covers where membership is required in conjunction with a School Division’s core business.

4. **Curriculum Materials**
   Where those materials are available only from sole suppliers or licensors.

5. **Legal Practitioners and Expert Witnesses**
   Where such is required to provide legal advice and expertise in their relevant fields and appear before courts and tribunals.

6. **Cattle and Bullafo for Research or Breeding Purposes**
   Where purchases are made through stock and station agents.

7. **Purchase of Fleet Vehicles under NT Fleet and Commonwealth Government Agreements**
   Covers acquisitions conducted by CDU Fleet utilising preferred purchasing price provided the Work Instruction Vehicle Procurement and Disposal is completed.
   (i) This exemption is valid when the intended function, resale value, environmental sustainability, occupational health and safety and durability of the vehicle chosen are clearly documented.

8. **Renewal of Ongoing Software Maintenance and Licensing Agreements**
   Covers requirements for existing business critical information systems operated by ITMS. This exemption is valid provided the original acquisition of the software or license was conducted under the Standard Procurement Guidelines ie Tender or Quotation.