

Procurement Procedures

INTRODUCTION

This document should be read in conjunction with the University's [Procurement Policy](#).

This procedure is to provide guidance on how to procure goods and services in the most efficient way while managing probity, accountability and adhering to the University's [Procurement Policy](#).

This procedure applies to all CDU staff (including adjuncts) (full-time, part-time, temporary and casual) when conducting business on behalf of CDU. It also applies to Contractors or Consultants who are procuring goods and services on behalf of CDU.

PROCEDURE

1. Procurement roles and responsibilities

Key roles within the Procurement process are:

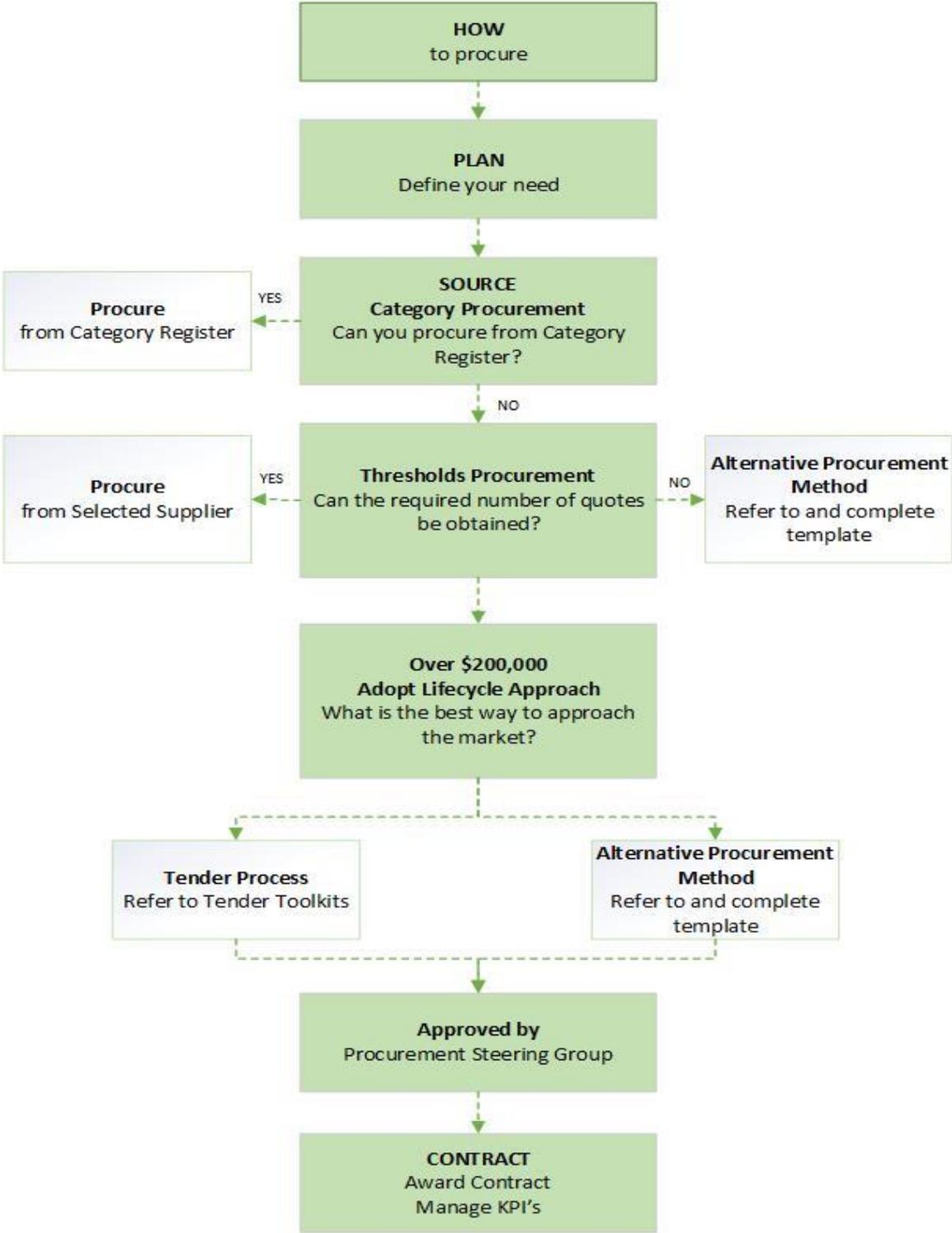
Roles	Responsibilities	Who has these roles
Purchaser	Responsible for determining needs, Procurement Planning, checking fund availability and going to market or getting quotations.	Any staff member
Requisitioner or Buyer	Responsible for creating Purchase Requisitions and Purchase Orders based on information from the Purchaser and ensuring all relevant information e.g. quotations, supplier information and cost codes are accurate and complete.	Authorised and Trained Staff member (an Oracle User)
Approver	Financial delegate who has the authority to commit University funds for Procurement. Responsible for ensuring that the amount to be spent does not exceed their delegation limit, is in-line with approved budget allocations and the Procurement Policy and Procedures have been complied with.	Someone with a financial delegation

2. Segregation of Duties

Employees may be involved in Procurement in different roles. Segregation of duties is critical to minimise the risks of unauthorised or inappropriate spending and therefore an individual staff member will not have more than one role in the procurement process.

3. Procurement Process Overview

The figure below provides an overview of the Procurement process:



4. How to Procure

Procurement planning is required for every purchase. The level of planning involved is relative to the risk and value of the procurement and the type of goods or services being considered.

The objectives of the planning phase of the procurement cycle are to:

- Ensure the goods or services under consideration for purchase meet CDU's needs;
- Ensure the CDU Procurement Principles are followed; and
- Manage the risks associated with the procurement.

4.1 Planning

Purchasers are responsible for identifying CDU's needs and planning the procurement processes.

The planning phase must ensure that sufficient knowledge, expertise, timeframe and market engagement is applied to ensure compliance with CDU's [Procurement Policy](#) and Procedures.

Purchasers must not divide or design a procurement activity in separate phases or parts to artificially reduce the total estimated value for the purpose of bypassing the [Procurement Policy](#) and Procedures.

4.2 Sourcing

Before sourcing any goods or services externally, staff must find out if their requirements can be met from the [Category Register](#).

4.2.1 Category Procurement

Procuring through the Category Register is the simplest and most efficient way to ensure that you are adhering to the [Procurement Policy](#).

- You do not need to obtain quotations when procuring from the Category Register;
- Where there is a panel of suppliers, follow the processes outlined for the panel arrangement; and
- Goods and services listed on the Category Register may be provided by a CDU work unit i.e. UniPrint for printing and signage and Property & Facilities for vehicles.

Please see the [Category Register](#) for a complete list and how to procure. The Register will be regularly updated as new categories are added.

4.2.2 Thresholds Procurement

Where goods or services must be externally sourced, staff must use an open and competitive approach to give businesses equal opportunity to participate.

When approaching the market, the value of the procurement determines your procurement method. The sourcing documentation required for each threshold are as follows:

a. Request for Quotation

Once Procurement Planning has been completed and you are ready to request a quotation from one or more suppliers, you can access the Request for Quotation template from CDU Portal.

Staff should define their scope of requirements very clearly to avoid either an inflated quotation from suppliers or alternatively underpriced quotation resulting in poor quality goods or services.

b. Tender Process

All procurement over \$200K is considered to be significant and would typically be a public Request for Tender (RFT) process. Procurement planning should determine the best method of approaching the market which could be a Select Tender, Expressions of Interest (EOI), Request for Proposal (RFP) or Request for Information (RFI). Templates are available from CDU Portal.

All tender processes must be managed centrally through the approved marketplace platform to ensure that probity requirements are met.

4.2.3 Evaluation of market responses

Responses to a competitive process such as RFT, EOI, RFQ or RFP must be evaluated by an Evaluation Panel by:

- Applying only the evaluation criteria notified in the request documentation;
- Assessing compliance with the Scope of Works set out in the request documentation;
- Assessing the technical viability of the proposed solution;
- Assessing the capability of the respondent to provide the goods or services, including technical and management competence and financial resources; contacting referees; taking account of the benefits and costs involved on a whole of life basis with a focus on value for money over cheapest price;
- Documenting any potential constraints or risks and the way risk is allocated, and assessing the cost to the University of that allocation;
- Identifying the response that represents best value for money and other procurement principles; and
- Decisions are recorded with appropriate justification.

The Evaluation Panel must provide a written report to the Procurement Steering Group with the approval to accept tenders that:

- Is signed by all members of the Evaluation Panel and provides full details of the process and the offers received ;
- Provides a clear and publicly defensible assessment against each of the evaluation criteria;
- Refers to or notes any potential constraints or risks;
- Ranks responses in an order of merit according to their evaluation scores;
- Assures all tenderers of the confidentiality of their tender documents; and
- Recommends acceptance of the highest ranked offer subject to satisfactory negotiation of a contract.

All documentation associated with the procurement exercise must be provided to procurement@cdu.edu.au to be officially filed and retained for the requisite period

4.2.4 Notification of outcomes

Successful Tenderers or Respondents should be notified in writing and proceed to contract negotiation.

Unsuccessful Tenderers or Respondents should be notified separately in writing and given the opportunity for a debriefing after firm agreement has been reached with the preferred supplier and preferably after the contract has been signed.

Debriefings should follow the evaluation criteria set out in the request documentation and against which the responses were evaluated, and indicate where and why the offer was deficient or not preferred. Information about other offers must not be divulged. All debriefings must be documented and filed, and conducted by at least two people.

Sample pro-forma successful/unsuccessful tender letters can be provided by procurement@cdu.edu.au

4.2.5 Alternative Procurement Method

Where goods and services cannot be sourced either by Category Procurement or Thresholds Procurement, an **Alternative Procurement Method** (formerly known as Certificate of Exemption) must be prepared providing justification and evidence to support the alternative process. The process must be approved by the Procurement Steering Group prior to selection of supplier. The Alternative Procurement Method template can be accessed through the CDU Portal.

4.3 Contract Management

The agreed terms and conditions for the supply of the goods or services must be included in a formal contract document and be signed by both parties.

The written contract must be an accurate reflection of the terms and conditions outlined in the tender process and must take account of any matters of significance emanating from the post-evaluation negotiation process. Consultation and involvement of the University Legal Services Office should occur at this point in the process.

It is good practice to include a copy of the draft contract in the Request for Tender (RFT), and where appropriate, the Request for Proposal (RFP). This enables respondents to see, and register their compliance with, the terms on which the University proposes to deal. Providing a draft contract should also assist in shortening the negotiation period once, a supplier is selected.

Contract templates containing standard University agreement clauses that have been approved by the University's legal service are available from procurement@cdu.edu.au.

For low value procurement below \$200K, the University's terms and conditions are stipulated in the Official Purchase Order (PO) and are deemed to have been accepted by the supplier upon receipt of the PO.

5. Standing Exemptions

A number of exemptions exist to provide flexibility for sourcing of goods or services where it may not be practical or possible to seek quotations or test the market.

Purchases for these items can be made by creating a Purchase Requisition, inputting the exempt reason in the justification section of the requisition and obtaining the delegates approval.

NON-COMPLIANCE

Non-compliance with Governance Documents is considered a breach of the [Code of Conduct](#) and is treated seriously by the University. Reports of concerns about non-compliance will be managed in accordance with the applicable disciplinary procedures.

All staff members have an individual responsibility to raise any suspicion, allegation or report of bribery or improper conduct in accordance with the [Fraud and Corruption Control Policy](#) and [Whistleblower reporting \(Improper Conduct\) Procedures](#).



Appendix - General Procedures

a) Supplier Creation & Maintenance

Where the purchase of goods and services is required to be generated via Purchase Orders, a record for a new Supplier must be established *before* a requisition/purchase order can be raised in the Finance System.

To request the creation of a Supplier a completed [Supplier or Non-Supplier Request form](#) must be sent to suppliers@cdu.edu.au

The Supplier or Requestor may contact suppliers@cdu.edu.au requesting an amendment to the Supplier or Non-Supplier record in the Finance System.

Suppliers@cdu.edu.au will check the request and after being satisfied of all relevant details, enter/amend the Supplier record in the Finance System and advise the requester.

b) Purchase Requisitions and Purchase Orders

All purchases must be made through a Purchase Requisition through the Finance System. Only Staff that have undergone appropriate training and have been set up as Requisitioners can create Purchase Requisitions. To receive training and be set up as a Requisitioner please visit eCentre.

Purchase Requisitions must be accompanied by relevant documentary evidence for quotations, awarded tender contracts or approved Alternative Procurement Method where appropriate. Purchase Requisitions are required to be approved by an Approver, these are Financial Delegates in charge of the work unit. Once approved, the Purchase Requisition is converted to a Purchase Order that can be sent to the supplier. The Purchase Order contains the standard terms and conditions that CDU operates within when entering into a transaction with the supplier.

c) Standing Orders

For transactions that are periodic in nature such as utilities or where annual contracts are in place, a Standing Order can be created which allows multiple invoices to be paid against one single Purchase Order to streamline payment processing.

d) Credit Card Purchases

The use of Corporate Purchasing Credit Cards is the recommended method of procurement of consumable goods and services where the individual value of those goods or service is less than \$1,000. Corporate credit cards may be issued to University staff to facilitate the purchase and payment of goods and services. [Corporate Purchasing Card Policy](#) exists and staff should be aware of the requirements in making purchases on credit cards.

RELATED AND SUPPORTING DOCUMENTS

Legislation	
Policy	Corporate Purchasing Card Policy Procurement Policy
Procedures	



GOVERNANCE

Owner	Chief Financial Officer	
Audience	Staff	
Approving authority	Vice-Chancellor	
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DOCUMENT HISTORY AND VERSION CONTROL

Version	Date Approved	Approved by	Brief Description
1.00	5 May 2011	Vice-Chancellor	New document approved and uploaded to CDU Governance Document Library