

PROCUREMENT POLICY 2019

The Vice-Principal, Operations as delegate of the Senate of the University of Sydney, adopts the following policy.

Dated: 10 May 2019
Last amended: 18 November 2019
Signature:
Position: Vice-Principal, Operations

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1 Name of policy

This is the Procurement Policy.

2 Commencement

This policy commences on 13 May 2019.

3 Policy is binding

Except to the extent that a contrary intention is expressed, this policy binds the University, staff, students and affiliates.

4 Statement of intent

This policy:

- (a) establishes principles for the acquisition of all goods and services at the University;
- (b) establishes the standards of behaviour for every person undertaking procurement activities;
- (c) establishes procurement requirements to ensure activities adhere to probity, value for money and legislative requirements and
- (d) supports the University's values of respect, integrity, inclusion and diversity.

5 Application

- (1) This policy applies to:
 - (a) the University, staff, students and affiliates;
 - (b) controlled entities;
 - (c) any entity which is bound to follow it by the terms of an agreement with the University; and
 - (d) all University activities.
- (2) Unless otherwise specified, this policy does not apply to services provided:
 - (a) by staff employed through the University payroll;
 - (b) to the Investment and Capital Management Unit in connection with the University's investment portfolio; and
 - (c) by external lawyers appointed by the Office of General Counsel.

Note: See also the [Building Projects Approval and Management Policy 2014](#).

6 Definitions

Aboriginal or Torres Strait Islander-owned business

means a business which is certified as an Indigenous business by [Supply Nation](#) or is certified as an Indigenous business by the [NSW Indigenous Chamber of Commerce](#).

Aboriginal Community-Controlled Organisation

refers to a non-governmental organisation which is owned by the local Aboriginal Community. All decision making is collaborative in conjunction with the Community as right to self-determination.

accessibility

means goods and services that are accessible for people with disability

acquisition of goods and services	means the purchase or lease of goods and services from external suppliers on behalf of the University.
affiliate	has the meaning set out in the Code of Conduct – Staff and Affiliates , which at the date of this policy is: <p style="margin-left: 40px;">a clinical title holder; an adjunct, conjoint or honorary appointee; a consultant or contractor to the University; an office holder in a University entity; a member of any University committee; and any other person appointed or engaged by the University to perform duties or functions on its behalf.</p>
approved supplier	means a supplier: <ul style="list-style-type: none"> • who has been evaluated through an approved procurement process by Procurement Services; or • with whom the University has entered into a formal contract for the provision of specified goods or services.
conflict of interests	has the meaning set out in clause 8 of the External Interests Policy 2010 .
controlled entity	has the meaning set out in the Controlled Entity Policy 2012 , which at the date of this policy is: <p style="margin-left: 40px;">means a person, group of persons or body over which the University has control.</p> <p style="margin-left: 40px;">Note: See also the definition of “controlled entity” in Section 16A of the University of Sydney Act 1989 (as amended); Sections 39 (1A) and 45A of the Public Finance and Audit Act 1983 and Australian Accounting Standard AASB 127 Consolidated and Separate Financial Statements</p>
GIPA Act	means the Government Information (Public Access) Act 2009 (NSW).
OGC	means the Office of General Counsel.
open tender	means a competitive bidding process whereby any supplier may tender for the provision of goods or services. These tenders are made available to the general public for the purposes of selecting a supplier to provide goods or services to the University.
procurement activities	means activities relating to the acquisition of goods and services.

procurement contract	means a binding written agreement between two or more parties (typically the University and supplier) which sets out what will be delivered and at what cost. This includes: <ul style="list-style-type: none"> • University purchase orders; and • OGC-approved standard form agreements.
Procurement Services	means the team supporting procurement activities at the University and headed by the Chief Procurement Officer
purchase order	means a University buyer-generated document that authorises a purchase transaction which, when accepted by the seller, becomes an agreement binding on both parties
purchaser	means the University staff member or affiliate responsible for a particular acquisition of goods or services.
quotation	means a formal statement or offer made in response to an invitation to supply specified goods or services, and which contains an estimated cost for the goods or service.
request for tender	means an invitation to others to make an offer or proposal for the supply of goods or services, which is made in order to attract tender responses.
select tendering	means the process whereby specifically identified suppliers are invited to tender for provision of goods or services, based upon market considerations.
sole sourcing	means a procurement process in which a single supplier may be requested to submit a quotation or tender response without having first gone through a competitive process.
supplier	means an external party that supplies goods and services.
tender response	means an offer made in writing in response to a request for tender.
Tender Board	means the internal management board of that name, which reports to the Finance and Audit Committee of Senate.

7 Procurement principles

- (1) The principles specified in this clause apply to all procurement activities.
- (2) **Value for money.** Purchasers must consider the total benefit derived from a good or a service against its total cost, when assessed over the period the good or service is to be used.

- (3) **Probity.** Purchasers must deal fairly, impartially and consistently with all suppliers ensuring transactions are transparent, accountable and ethical.
- (a) Purchasers must identify and appropriately manage any actual, apparent or perceived conflicts of interests.
- Note:** See the [External Interests Policy 2010](#).
- (4) **Safety.** Safety must be a consideration in all procurement decisions.
- (a) Purchasers must ensure safety is a mandatory evaluation criterion for all procurement purchases.
- (b) Purchasers must consider accessibility for people with disability when procuring goods and services
- (c) Acquisitions must be consistent with the University's safety management system.
- Note:** See the [Work Health and Safety Policy 2016](#).
- (5) **Appropriate risk management.** Purchasers must identify, consider and, if appropriate, take steps to mitigate the risks involved in any acquisition.
- (a) Risk management considerations must be consistent with the [University's Risk Appetite and Tolerance Statement](#) which include but are not limited to:
- (i) minimising exposure to any potential damage to the culture of excellence evident in the University's world-class research and education;
- (ii) long-term detrimental brand and reputation damage; and
- (iii) safety, compliance and financial solvency related risks.
- Note:** See the [Risk Management Policy 2017](#).
- (6) **Ethical behaviour, sustainability and social responsibility.** Ethical behaviour, sustainability and social responsibility must be considerations in all procurement decisions.
- (a) At least one mandatory evaluation criterion for all procurement activities must reflect ethics, sustainability and social responsibility.
- Note:** See the [Environment al Sustainability Policy 2015](#) and clause 9 of this policy.
- (7) **Legality.** Purchasers must ensure that acquisitions are made consistently with:
- (a) all applicable laws and regulations; and
- (b) all applicable University rules, policies and procedures.
- Note:** All University rules, policies and procedures are available in the [Policy Register](#)

8 Standards of behaviour

- (1) Every person undertaking procurement activities must behave ethically and professionally and, in particular:
- (a) comply with the procurement principles specified in this policy;
- (b) observe all applicable probity requirements;
- (c) deal fairly, impartially and consistently with all suppliers;

- (d) monitor, report and manage any actual, apparent or perceived conflicts of interests;
Note: See the [External Interests Policy 2010](#).
- (e) monitor and report any suspected fraud, corruption or other wrongdoing; and
Note: See the [Reporting Wrongdoing Policy 2012](#).
- (f) comply with the [Code of Conduct – Staff and Affiliates](#).
- (2) Goods and services purchased or leased must be acquired for business use only.
Note: See the [Non-allowable Expense Procedures 2018](#).
- (3) Procurement activities must be conducted without internal conflicts of interests.
 - (a) A purchaser must not:
 - (i) approve their own request for goods and services; or
 - (ii) both approve and certify receipt of goods and services.
- (4) Documents relating to acquisitions must be recorded and securely retained consistently with the [Recordkeeping Policy 2017](#). These documents may include:
 - (a) approaches to the market and the responses received;
 - (b) evaluations of a supplier;
 - (c) assessment of participants in a procurement process; and
 - (d) records of the reasons for selecting a particular supplier.
- (5) Tender responses or quotations must not be viewed until the specified close date.
- (6) Purchasers must not:
 - (a) split transactions or orders into components or parts to circumvent procedures or delegation approval levels;
 - (b) understate the value or risk attached to the procurement activity to circumvent procedures;
 - (c) collude with suppliers or prospective suppliers; or
 - (d) divulge the bid made by a supplier to other prospective suppliers before a contract is awarded with the intent of securing a lower bid (“bid shopping”).

9 Sustainable, ethical and socially responsible procurement

When acquiring goods or services for or on behalf of the University, purchasers must consider the following matters:

- (a) **environmental management**, including:
 - (i) pollution control;
 - (ii) waste minimisation;
 - (iii) recycling and disposal;
 - (iv) energy efficiency;
 - (v) resource consumption;
 - (vi) demand management;
 - (vii) adoption of environmentally sound technologies; and

(viii) protection of biodiversity;

Note: See [Environmental Sustainability Policy 2015](#)

- (b) **ethical and legal requirements**, including:
- (i) issues relating to preservation of heritage and culture;
 - (ii) regulatory and legislative requirements, including but not limited to the requirements of the [Modern Slavery Act 2018 \(Cth\)](#) and the [Modern Slavery Act 2018 \(NSW\)](#); and
 - (iii) anti-discrimination laws including but not limited to the [Disability Discrimination Act 1992 \(Cth\)](#).
- (c) **social equity**, including supporting the participation of:
- (i) Aboriginal or Torres Strait Islander peoples (including Aboriginal or Torres Strait Islander-owned businesses and Aboriginal Community-Controlled Organisations);
 - (ii) women-owned businesses;
 - (iii) disability enterprises; and
 - (iv) social enterprises.

10 Procurement approval

- (1) Before obtaining quotations or committing to procure any goods and services, the purchaser must satisfy themselves that:
 - (a) there is a demonstrated need for the goods or services; and
 - (b) there is, or will be, funding available for the proposed acquisition.
- (2) Acquisitions must be approved by the relevant delegate, as specified in the [University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#).
- (3) Purchase orders must be raised through the University approved procurement system for all acquisitions of goods and services prior to acquisition except for:
 - (a) purchases made by corporate card;
 - (b) other expenditure types approved by Procurement Services.
- (4) The purchaser must record goods and services assets valued at \$10,000 or more in the University's asset register, in accordance with the [Asset Financial Management Procedures 2019](#).

11 Approved suppliers

- (1) Procurement Services will select approved suppliers through a formal approval process which may include, but is not limited to, a tender process.
- (2) Purchasers must use approved suppliers wherever possible.

12 Contracts

- (1) Standard-form University agreements or forms of agreement endorsed by the Office of General Counsel must be used to engage suppliers.

- (2) Where a standard-form University agreement is not available or the template requires material amendments, OGC must be consulted before any contract is executed, regardless of value.
- (3) Contracts must be executed by the relevant delegate in accordance with the [University of Sydney \(Delegations of Authority – Administrative functions\) Rule 2016](#).
 - (a) Before approving any procurement contract with a term of five years or more (including options or extensions), the delegate must consult the Chief Procurement Officer.
- (4) Purchasers must retain and store all documents relating to each procurement activity, consistently with the [Recordkeeping Policy 2017](#).
- (5) Purchasers must provide an executed copy of the contract to Archives and Records Management Services for inclusion in the University's contracts register.

Note: A copy of the contract should be emailed to recordsonline@sydney.edu.au.

13 Tender Board

- (1) There will be a Tender Board, which will be responsible for overseeing the governance and probity of all University acquisitions of goods or services through tender processes.
- (2) The Tender Board will be comprised of:
 - (a) Chief Procurement Officer;
 - (b) Chief Financial Officer;
 - (c) two Finance Directors nominated by the Chief Financial Officer;
 - (d) two senior staff members (non-operations);
 - (e) Chief Risk Officer (bi-annual compliance review meetings only); and
 - (f) such other members as may be required by the Tender Board's Terms of Reference from time to time.
- (3) The chair of the Tender Board:
 - (a) must be appointed from within the membership of the Tender Board; and
 - (b) must not be the Chief Financial Officer or the Chief Procurement Officer.
- (4) The terms of reference of the Tender Board, and its operational requirements, will be specified in the procedures associated with this policy.

14 Tendering requirements

- (1) The appropriate tender process for any proposed acquisition will be determined and approved by Procurement Services, consistently with this policy.
- (2) Tender processes must provide:
 - (a) opportunity for maximum competition (proportionate to risk and value);
 - (b) clear and concise conditions of participation;
 - (c) adequate time and capacity for potential suppliers to respond to requests; and

- (d) appropriately confidential management of material submitted by potential suppliers, consistent with intellectual property rights.
- (3) Tender processes must be supported by a procurement strategy providing a rationale for the market approach.
- (4) **Select tender** may be used if:
 - (a) there is a limited supplier market, where only one or a limited number of suppliers are known to be able to carry out the work; or
 - (b) the time or cost of tendering will be a significant burden on the University or tenderers.
- (5) **Sole source arrangements** may be used if:
 - (a) the goods or services can only be supplied by a particular supplier and there is no reasonable alternative or substitute for technical and compatibility reasons; or
 - (b) the University would likely incur significant costs through duplication or re-work by engaging another supplier.

15 Compliance monitoring

The Chief Procurement Officer will monitor procurement activities and will:

- (a) inform the Chief Financial Officer of any significant or systemic non-compliance as soon as practicable after becoming aware of it; and
- (b) report on tendering activities to the Tender Board as specified in the procedures associated with this policy.

16 Imported, prohibited or sanctioned goods or services

- (1) The Purchaser must ensure imported goods meet mandatory Australian safety standards as prescribed by the [Australian Competition and Consumer Commission](#).
- (2) The purchaser is responsible for informing themselves and complying with the University's obligations under Australian and other government sanctions and defence export controls.

Note: See: [Defence and Strategic Goods List 2019](#); [Charter of the United Nations Act 1945](#); [Autonomous Sanctions Act 2011](#); [Charter of the United Nations Act 1945](#); [Defence Trade Controls Act 2012](#); [Customs \(Prohibited Exports\) Regulations 1958](#); [Weapons of Mass Destruction \(Prevention of Proliferation\) Act 1995](#); [Customs Act 1901](#)

- (a) Purchasers should contact the Office of General Counsel for advice if in doubt.

17 Roles and responsibilities pertaining to this policy

- (1) **The Vice-Principal (Operations)** is responsible for determining this policy.
- (2) **The Chief Financial Officer** is responsible for:
 - (a) administering this policy;
 - (b) monitoring policy compliance; and

- (c) reviewing and recommending amendments to this policy.
- (3) **The Chief Procurement Officer** is responsible for:
- (a) reporting on activities and significant non-compliance to the Chief Financial Officer and Tender Board;
 - (b) monitoring the currency of this policy and its associated procedures, templates and guidelines and updating as required; and
 - (c) monitoring procurement activity.
- (4) **The Tender Board** is responsible for:
- (a) providing compliance and probity oversight of procurement activities by:
 - (i) providing for fairness and transparency in approaches to the market;
 - (ii) quality control of procurement-related documentation;
 - (iii) providing project-specific endorsement and approvals;
 - (iv) monitoring compliance with all relevant policy and procedures; and
 - (v) reviewing and monitoring the operation of this policy and making recommendations on appropriate changes when necessary.
- (5) **Procurement Services** is responsible for:
- (a) providing expert advice, guidance and support to staff regarding all aspects of procurement activities, procurement principles and requirements;
 - (b) planning and managing tenders for goods and services;
 - (c) negotiating and identifying eligible suppliers;
 - (d) communicating the University's requirements and soliciting supplier proposals;
 - (e) managing and reporting on procurement spend and compliance;
 - (f) reporting on procurement project performance;
 - (g) managing travel and expenses expenditure and monitoring compliance; and
 - (h) paying suppliers
- (6) **Purchasers** are responsible for:
- (a) dealing fairly, impartially and consistently with all suppliers;
 - (b) using approved suppliers wherever possible;
 - (c) monitoring, reporting and managing any actual, apparent or perceived conflicts of interest;
 - (d) monitoring and reporting any suspected fraud, corruption or other wrongdoing;
 - (e) complying with the [Code of Conduct :Staff and Affiliates](#);
 - (f) ensuring safety is a mandatory evaluation criterion for all procurement purchases;
 - (g) considering accessibility for people with disability when procuring goods and services
 - (h) identifying and, if appropriate, taking steps to mitigate the risks involved in any acquisition;

- (i) ensuring acquisitions are made consistently with all applicable laws and regulations;
 - (j) informing themselves and complying with the University's obligations under Australian and other government sanctions and defence export controls;
 - (k) retaining and storing all documents relating to each procurement activity, consistently with the [Recordkeeping Policy 2017](#);
 - (l) providing an executed copy of the contract to Archives and Records Management Services for inclusion in the University's contracts register; and
 - (m) recording goods and services assets valued at \$10,000 or more and in the University's asset register
- (7) Approvers** are responsible for ensuring:
- (a) that financial approvals are within their delegation and budget
 - (b) that the expenditure is for a genuine business need; and
 - (c) the procurement process has complied with this policy and associated procedures.

18 Rescissions and replacements

This document replaces the *Procurement Policy*, which commenced on 15 March 2012, which is rescinded as from the date of commencement of this document.

NOTES

Procurement Policy 2019

Date adopted: 10 May 2019

Date commenced: 13 May 2019

Date amended: 18 November 2019

Administrator: Chief Financial Officer

Review date: 10 May 2024

Rescinded documents: Procurement Policy

Related documents:

Autonomous Sanctions Act 2011 (Cth)

Charter of the United Nations Act 1945 (Cth)

Customs Act 1901 (Cth)

Defence Trade Controls Act 2012 (Cth)

Disability Education Standards (Australian Standard EN 301 549)

Disability Discrimination Act 1992 (Cth)
Modern Slavery Act 2018 (Cth)
Weapons of Mass Destruction (Prevention of Proliferation) Act 1995 (Cth)
Government Information (Public Access Act) 2009 (NSW)
Modern Slavery Act 2019 (NSW)
Public Finance and Audit Act 1983 (NSW)
University of Sydney Act 1989 (NSW)
Customs (Prohibited Exports) Regulations 1958
Defence and Strategic Goods List 2019 Australian Accounting Standard AASB 127 Consolidated and Separate Financial Statements
University of Sydney (Delegations of Authority-Administrative Functions) Rule 2016
Building Projects Approval and Management Policy 2014
Code of Conduct – Staff and Affiliates
Environmental Sustainability Policy 2015
Recordkeeping Policy 2017
Reporting Wrongdoing Policy 2012
Risk Management Policy 2017
Travel Policy 2018
Treasury Management Policy 2018
Work Health and Safety Policy 2016
Workforce Engagements and Payments Policy 2016
Asset Financial Management Procedures 2018
Corporate Card Procedures
Non-Allowable Expenses Procedures 2018
Procurement Procedures
Sourcing Procedures

AMENDMENT HISTORY

Provision	Amendment	Commencing
6	Definitions of 'approved supplier' and purchaser amended	18 November 2019
10(3)(b)	Amended	18 November 2019