UNIBUY PROCUREMENT PROCEDURES 2019

Issued by: Chief Financial Officer
Dated: 4 July 2019

Signature: Wayne Andrews

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PART 1 – BEFORE BUYING

1 Purpose and application

(1) These procedures are to give effect to the Procurement Policy 2019. (“the policy”).

(2) These procedures apply 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;
(d) all University purchases; and
(e) all University activities.

2 Commencement

These procedures commence on 5 July 2019.

3 Interpretation

Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

**ad-hoc purchases** means the acquisition of goods and services from a supplier not included on the University’s UniBuy catalogue.

**asset** means a thing that can produce future benefit. An asset is a complete item, not a component.

**capitalised asset** means an asset which:

- cost $10,000 or over (GST exclusive); and
- is recorded as such in the asset register.

**comprehensive buying** means purchases of goods or services valued at more than $30,000 but less than $250,000, as specified in clause 11.

**designated procurement systems** means systems used in the procurement of goods and services including but not limited to UniBuy, Archibus, travel and expense management system, MyLab, the library purchasing system.

**DFAT** means Department of Foreign Affairs and Trade.

**hazardous material** means any item or agent (biological, chemical, radiological or physical), which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.

**laboratory reagents** means chemicals, biological material, genetically modified organisms, pharmaceuticals, and radioactive material.

**MyLab** means the University system for procuring laboratory reagents and consumables.
open purchase order means a purchase order which has not been fully receipted.

personal information means information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion. A detailed definition is found in section 4 of the Privacy and Personal Information Protection Act 1998 (NSW).

purchase requisition means the approvable document created by a purchaser in UniBuy which contains information specifying goods and services being purchased.

Request for Quotation (RFQ) means a document requesting a formal quotation from the market detailing the requirements, performance and technical specification of the goods or services required by the University. It also includes an outline of how responses will be evaluated and the timeline in which responses can be submitted.

Strategic and Tactical Sourcing team means the sourcing specialists in Procurement Services.

tailored sourcing means purchases of goods or services valued at $250,000 or above, as specified in clause 13.

UniBuy means the University approved procurement system.

UniBuy catalogue means a negotiated purchasing relationship with certain suppliers to provide specified goods and services at a set price and enabled for purchase through UniBuy.

UniBuy desk means the procurement support specialists in Procurement Services.

4 Applying the procurement principles

(1) All procurement activity must comply with the principles specified in the policy and demonstrate their application as follows.

(2) Value for money. Purchasers must:
   (a) evaluate all quotations received for a particular procurement activity;
   (b) assess risks, costs and benefits on a whole-of-life basis and total cost of ownership;
      (i) the assessment of costs needs to consider any on-going costs that may accrue beyond the initial price, including, costs of holding, using, maintaining and disposing of the good or service.
   (c) assess non-cost factors;
      (i) including, safety record and risk exposure, price, fitness for purpose, technical and financial issues, supplier capability, sustainability, availability of maintenance, service and support and benefits to be delivered; and
   (d) conduct a price assessment on the cost and benefit trade off, if not selecting the good or service with lowest price offered.

(3) Probity. Purchasers must demonstrate:
   (a) accountability by:
(i) using the appropriate delegations;

Note: See the University of Sydney (Delegations of Authority – Administrative Functions) Rule 2016.

(ii) using only University designated procurement systems; and

(iii) documenting decisions, actions and communications with relevant parties.

Note: See Recordkeeping Policy 2017.

(b) **transparency** by:

(i) identifying and managing any actual, apparent or perceived conflicts of interests or external interests as soon as they are known;

(ii) not soliciting nor accepting gifts or benefits, either for themselves or for another person, which may compromise or influence them in their official University capacity or might appear to do so.

Note: See the Code of Conduct – Staff and Affiliates and External Interests Policy 2010.

(iii) maintaining organisational processes that allow the reporting of inappropriate conduct and auditing procurement practices;

(iv) establishing and documenting selection criteria before opening quotations;

(v) assessing quotations and responses consistently using pre-determined evaluation methodologies and selection criteria;

(vi) documenting the evaluation and selection process; and

(vii) establishing an open, fair and defensible process for awarding contracts.

Note: See clause 12 of the policy.

(c) **confidentiality** by:

(i) requiring that all parties comply with confidentiality agreements or contractual obligations.

(4) **Safety.** Purchasers must demonstrate safety considerations by:

(a) purchasing laboratory reagents and consumables from MyLab;

(b) including safety and performance standards as an evaluation criterion where relevant, when selecting a supplier;

(c) requiring imported goods meet mandatory Australian safety standards as prescribed by the Australian Competition and Consumer Commission;

(i) the purchaser of imported goods assumes responsibility for design and compliance with Australian safety standards in accordance with Australian safety laws. This can pose a significant risk to the University.

Note: See Section 11 of the Work Health and Safety Procedures 2016 for a list of safety considerations.

(d) reviewing products and services procured to determine inherent risk; and

(e) complying with the Work Health and Safety Policy 2016.

(5) **Legality.** Purchasers must demonstrate they have complied with legal requirements by:

(a) using University approved standard forms specified in these procedures and the policy;

(b) obtaining legal advice from OGC when not using University approved standard forms; and

(c) complying with all applicable University rules, policies and procedures.
(6) **Risk management.** Purchasers must demonstrate appropriate risk management by:

(a) undertaking appropriate risk assessments and recording these accordingly; and

(b) undertaking a privacy risk assessment for purchases involving personal information.

**Note:** See clause 17 of these procedures, the University's Risk Appetite and Tolerance Statement, Risk Management Policy 2017, Privacy Policy 2017, Recordkeeping Policy 2017 and Recordkeeping Manual.

(7) **Environmental and sustainability considerations.** Purchasers must demonstrate environmental and sustainability considerations by:

(a) including environmental sustainability requirements in competitive tender processes;

(b) selecting products and services which have lower environmental and sustainability impacts across their lifecycle compared with competing products and services.

**Note:** See clause 9 of the policy, and the Environmental Sustainability Policy 2015.

5 **Procurement requirements**

(1) Before acquiring goods or services, purchasers must demonstrate:

(a) there is a business need;

(b) there is or will be approved funding available;

(c) the acquisition will be approved by the appropriate delegate;

**Note:** See the *University of Sydney (Delegations of Authority – Administrative Functions) Rule 2016*

(d) that the goods or services are not prohibited by any of the following statutes:

(i) *Autonomous Sanctions Act 2011* (Cth);

(ii) *Charter of the United Nations Act 1945* (Cth);

(iii) *Defence Trade Controls Act 2012* (Cth);

(iv) *Customs (Prohibited Exports) Regulations 1958* (Cth);

(v) *Customs Act 1901* (Cth); and

(vi) *Weapons of Mass Destruction (Prevention of Proliferation) Act 1995*

(e) that they understand and will comply with the approved buying channels and quotation thresholds.

**Note:** See clause 7 and 9.

6 **UniBuy requirements**

(1) Purchasers must raise a requisition in UniBuy for the procurement of all goods and services except for purchases made:

(a) using a corporate card;

(b) through the University’s travel and expense management system;

(c) through the University library designated procurement system; or

(d) through the University MyLab hazardous material system.
Note: See the Corporate Card Procedures, Travel Policy 2018 and Travel Procedures 2018.

(2) In addition to any other requirements outlined in these procedures:

(a) **Campus Infrastructure and Services (CIS)** must approve the acquisition of all goods or services that relate to fixtures and fittings, buildings, grounds or facilities infrastructure.

(b) **Information and Communications Technology** (ICT) must approve the acquisition of capital equipment or services (including software as a service) in relation to information communications technology.

(c) Approvals for non-catalogue purchases will be managed by the UniBuy desk.

(3) The engagement of specific individuals as independent contractors must comply with the Workforce Engagements and Payments Policy 2016.

(a) A **Contractor/Employee Assessment Tool** must be completed for each individual case.

(b) **Standard University services agreements** must be used for the engagement or other service agreements as approved by Procurement Services and Office of General Counsel.

(4) **Treasury, Financial Control and Treasury** must be consulted prior to acquisition for:

(a) acquisitions in foreign currency where the cost is over $200,000 (exclusive of GST); and

(b) acquisitions of equipment where the cost is over $200,000 (exclusive of GST) where a lease is being considered.

(i) The University’s preferred financing methodology is to purchase assets.

(ii) Assets may only be leased with the approval of the Chief Financial Officer after a lease versus buy analysis is conducted by Treasury, Financial Services.


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**PART 2 - BUYING**

7 **Approved buying channels**

(1) Purchasers must only buy goods and services using one of the following methods, listed in order of preference:

(a) the UniBuy catalogue;

(b) approved suppliers enabled in UniBuy;

(c) the hazardous materials system (MyLab) where applicable;

(d) through a university corporate card for:

   (i) purchases valued at **$5,000 or below**; and

   (ii) all travel related expenses; and

(e) through an ad-hoc purchase request in UniBuy to purchase goods or services from a supplier not included on the University’s UniBuy catalogue.
8 Direct buying (buying from UniBuy catalogue or using a corporate card)

(1) Purchasers must acquire goods and services from the UniBuy catalogue whenever available.
    Note: See guide on how to create a catalogue request

(2) Purchasers may use a corporate card to acquire goods and services if:
    (a) the required goods or services are not available for purchase through a UniBuy catalogue; and
    (b) the goods or services are valued at $5,000 or below (inclusive of GST) and other charges; or
    (c) the purchase relates to travel related expenses.
    Note: See the Corporate Card Procedures

(3) Quotations are not required for acquisitions through:
    (a) the UniBuy catalogue where the catalogue specifies a price for an item; or
    (b) the University corporate card, consistent with the policy and these procedures.

(4) Unpriced catalogue items must meet the quotation thresholds specified in clause 9.

9 Quotation thresholds (non-catalogue buying)

(1) All non-catalogue purchases (or unpriced catalogue items) must meet the following quotation threshold requirements:
    (a) simple buying - purchases valued at $30,000 (exclusive of GST) or less, at least one 
        written quotation obtained by the purchaser;
        Note: See clause 10
    (b) comprehensive buying – purchases valued greater than $30,000 and less than 
        $250,000 (exclusive of GST), at least three written quotations obtained by the
        purchaser or UniBuy Desk as appropriate; and
        Note: See clause 11
    (c) tailored sourcing - purchases valued at $250,000 and above (exclusive of GST) must 
        be referred to the Procurement Sourcing team for a tailored sourcing strategy.
        Note: See clause 13

10 Simple buying (non-catalogue purchases for $30,000 or less)

(1) If the goods or services required are:
    (a) not available for purchase through a UniBuy catalogue or where the catalogue item is 
        unpriced or partially priced; and
    (b) are valued at $30,000 or less (exclusive of GST),
        the purchaser must:
    (c) check if the purchase can be made from an approved supplier on UniBuy;
    (d) raise an ad-hoc requisition in UniBuy; and
    Note: See guide on how to raise an ad-hoc request
obtain at least one written quotation.

2 Purchasers must:
(a) use the approved standard Request For Quotation form (RFQ) to request quotations from suppliers; and
(b) attach the completed proposed RFQ to the ad-hoc purchase requisition in UniBuy.

3 The RFQ must specify the university’s requirements including:
(a) performance requirements;
(b) technical specifications;
(c) the method for responding;
(d) proposed evaluation criteria; and
(e) time for submitting responses.

4 The University standard Purchase Order terms and conditions developed by the Office of General Counsel must be included in the RFQ document.

5 The purchaser must:
(a) keep a written record of the RFQ;
(b) retain the quotations received; and
(c) attach all procurement related information to the purchase requisition raised in UniBuy.

6 The relevant delegate must approve the requisition in UniBuy, after which a purchase order will be generated.

11 Comprehensive buying (non-catalogue valued at more than $30,000 but less than $250,000)

1 If the goods or services required are:
(a) not available for purchase through a UniBuy catalogue; and
(b) valued at more than $30,000 but less than $250,000 (exclusive of GST);
the purchaser must:
(c) check if the purchase can be made from an approved supplier listed on UniBuy; and
(d) raise an ad hoc requisition in UniBuy; and
(e) obtain at least three written quotes.

2 Purchasers must:
(a) use the standard Request for Quotation (RFQ) form to request quotations from suppliers;
(b) attach the completed proposed RFQ to the ad-hoc purchase requisition in UniBuy; and
(c) define the evaluation criteria for reviewing and selecting a response to the RFQ.

Note: Refer to the RFQ template for examples of evaluation criteria that should be used in evaluating responses.
(3) Where the standard RFQ form cannot be used, the Request For Quotation must specify the University’s requirements including:

(a) performance requirement;
(b) technical specifications;
(c) the method for responding;
(d) proposed evaluation criteria; and
(e) time for submitting responses.

(4) The University standard Purchase Order Terms and Conditions developed by the Office of General Counsel must be included in the RFQ document.

(a) University standard contract forms must be used for purchases relating to:
   (i) professional services;
   (ii) IT software and services;
   (iii) building and construction; and
   (iv) research and teaching.

Note: See clause 12 for more details.

(b) Where a standard-form University contract or agreement is not available or the template requires material amendment, OGC must be consulted before any contract is executed, regardless of value.

(5) All suppliers invited to submit a quotation must be given the same information at the same time and operate under the same conditions.

(a) Potential suppliers may seek clarification of the specifications or other requirements after requests for quotations are issued.

(b) Any material changes to the requirements, expectations or specification should be communicated to all potential suppliers in writing at the same time, to ensure there can be no claims of unfair advantage.

(6) Based on the responses received from suppliers, the purchaser must evaluate the quotations received on cost as well as non-cost elements and identify the best value for money.

(7) A purchaser must:

(a) keep a written record of the RFQ;
(b) retain the quotations received; and
(c) attach all procurement related information to the purchase requisition raised in UniBuy.

Note: See clause 17.

(8) The relevant delegate must approve the requisition in UniBuy, after which a purchase order will be generated.

12 Requirements for high risk purchases (valued at more than $30,000 but less than $250,000)

(1) High risk purchases include purchases of goods and services which involve:

(a) professional services (e.g. consulting, advisory services);

(b) building and construction goods or services that relate to:
(i) capital minor works, fixtures and fittings, buildings, grounds or facilities infrastructure;
(ii) interests in real property purchases, leases, or occupation licences; or
(iii) procurement of any goods or services that may be (in full or in part) fulfilled by a third party (i.e. subcontracted by the awarded supplier)

(c) **IT software and services** particularly those which may:
   (i) involve personal information;
   (ii) involve University records being stored, transferred or accessed offshore, or interstate;
   (iii) include software licences (including Software as a Service products); or
   (iv) include equipment or software.

(d) **research and teaching** equipment including purchases which may:
   (i) be funded with external research funding or grant funding that have conditions attached to spending;
   (ii) include clinical services;
   (iii) involve hazardous materials or services involving hazardous materials; or
   (iv) include teaching or educational services.

(2) Other high-risk purchases include purchases of goods and services which:
   (a) could severely or critically affect the University’s functions or service delivery;
   (b) are related to projects which involve multiple vendors;
   (c) could attract publicity or media attention, increasing the likelihood of additional probity or risk management requirements, or political scrutiny;
   (d) include asset purchases with a value $200,000 or more (exclusive of GST);
   (e) include equipment leases; or
   (f) include acquisitions in foreign currency with a value of $200,000 or more (exclusive of GST).

(3) In addition to the requirements of clauses 10 and 11, all high-risk purchases that fall within the categories specified above must be referred to the UniBuy desk for assistance and guidance, which may include:
   (a) using university approved contract forms to engage suppliers;
   (b) undertaking a formal risk assessment where appropriate;
   (c) undertaking a privacy risk assessment for purchases involving personal information;
   (d) obtaining required approvals from relevant University business areas (e.g. Information and Communications Technology, Campus Infrastructure and Services, Work Health and Safety, Financial Control and Treasury and OGC); and
   (e) any other relevant guidance by Procurement Services.

13 **Tailored sourcing (ad-hoc purchases valued at $250,000 and above)**

(1) If the goods or services required are:
   (a) not available for purchase through a UniBuy catalogue; and
14 Selecting suppliers

(1) Purchasers should first consider approved suppliers in UniBuy when sending out requests for quotations.

(2) The UniBuy desk can assist in identifying suppliers if the purchaser is not aware of potential supply sources.

(3) When approaching the market for responses to RFQs or sourcing request and selecting suppliers, the purchaser should satisfy themselves that:
   (a) there is an opportunity for competition in the relevant market;
   (b) the conditions of participation in the process are clear and concise;
   (c) potential suppliers have time and capacity to respond to requests; and
   (d) material submitted by potential suppliers can be managed confidentially and in accordance with intellectual property rights.

(4) Before dealing with a supplier who has no previous history with the University, the purchaser must satisfy themselves that the supplier is suitably qualified to supply to the University. This includes:
   (a) ensuring that the appropriate financial viability check has been carried out;
   (b) checking ABN’s for Australian suppliers; and
   (c) checking whether the supplier meets minimum levels of insurance required to supply the University. These minimum levels of insurance are specified in the standard University agreements which have been approved by OGC.

(5) Contractors must be engaged in accordance with the Workforce Engagement Contractor Insurance Guidelines, which includes a risk assessment and insurance waiver form.

PART 3 – AFTER BUYING

15 Variations to purchase order amounts

(1) Purchasers can vary an open purchase by:
   (a) adding a new line item to the purchase requisition for quantity and price; or
   (b) changing the price or quantity of the existing line items.

(2) Purchasers can increase or decrease a purchase order value in UniBuy, unless:
(a) the purchase order has been closed (i.e. no longer required and formally closed); or
(b) fully receipted (i.e. no remaining funds on the purchase order).

(3) Purchasers can vary a closed or fully receipted purchase order by requesting the UniBuy desk to re-open the purchase order.
   (a) The purchaser must provide the UniBuy desk sufficient explanation for the variations required.

(4) Variations which increase the value of a purchase will generally re-trigger a financial approval for the total increased amount of the purchase order.

(5) A financial approval will not be re-triggered for purchase order variation for the lesser amount of:
   (a) $500 of the purchase order amount; or
   (b) 10% of the total purchase order amount.

16 Receipting and payment

(1) Prior to acquisition, University purchase orders generated by UniBuy must be issued for all procurement of goods and services, except for purchases made by:
   (a) corporate card; or
   (b) University Library in their designated procurement system; or
   (c) utilities.

(2) Purchase orders must be created before suppliers deliver the goods and services, to ensure the University approved purchase order or contract terms (including payment terms) are in effect.

(3) The person responsible for taking delivery of goods or receiving services must certify, by receipting the transaction in the UniBuy system:
   (a) that the goods were received in good order and condition, or
   (b) that the service was satisfactorily performed and to the extent required.

(4) Payment to the supplier will be generated through UniBuy after the purchase order has been receipted.
   (a) Payment will only be approved if matched to an approved purchase order, invoice and based on the receipting of the goods or services in the UniBuy system.

(5) Purchasers must record assets valued at $10,000 or more in the University’s asset register.


17 Recordkeeping and disclosure

(1) Purchasers must retain and store all documents relating to each procurement activity, consistently with the Recordkeeping Policy 2017 and Recordkeeping Manual.

Note: At the date of these guidelines, records are to be retained for a minimum of 7 years.

(2) All procurement related documents should be attached and stored in UniBuy as supporting documents to the relevant purchase order.

(3) Procurement related documents may be examined by:
   (a) internal and external audit staff;
(b) the Independent Commission Against Corruption (ICAC);
(c) police; and
(d) any member of the public under the Government Information (Public Access) Act 2009 (NSW).

(4) Procurement related documents include, but are not limited to:

- financial records;
- supporting documentation;
- requests for quotes;
- written quotes received;
- evaluations;
- contracts; and
- other terms of engagement.

(5) Purchasers must provide an executed copy of the contract to Archives and Records Management for inclusion in the University’s contracts register.

Note: See clause 12 of the policy. Contact recordsonline@sydney.edu.au

(a) The Government Information (Public Access) Act 2009 (NSW) requires the University to publicly disclose the details of contracts with private sector entities valued at $150,000 or more (exclusive of GST), including contracts created under a purchase order.

NOTES

UniBuy Procurement Procedures 2019

Date adopted: 4 July 2019
Date commenced: 5 July 2019
Administrator: Chief Procurement Officer
Review date: 5 July 2024
Related documents: Privacy and Personal Information Protection Act 1998 (NSW)

Government Information (Public Access) Act 2009 (NSW)

University of Sydney (Delegations of Authority – Administrative Functions) Rule 2016

Code of Conduct – Staff and Affiliates

Environmental Sustainability Policy 2015

External Interests Policy 2010

Privacy Policy 2017

Procurement Policy 2019
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