1. LEGISLATION/ENTERPRISE AGREEMENT/POLICY SUPPORTED

Purchasing and Payment Policy

2. IMPLEMENTATION PRINCIPLES

Procurement activities are undertaken in a manner that ensures:

(a) University needs are met;

(b) value for money is obtained and can be demonstrated; and

(c) risks are managed.

3. PROCEDURAL DETAILS

There are three phases in the procurement process:

- Procurement planning
- Contract formation
- Contract management

The extent to which consideration is given to each phase will vary depending on a variety of factors including, but not limited to, complexity, costs, internal stakeholder needs, past experiences, in-house knowledge and market conditions.

Inherent in all three phases is risk which needs to be managed throughout the procurement process.

3.1. Ensuring effective value for money and competitive pricing

3.1.1. If the necessary goods or services can be purchased from an existing Contracted Supplier on a whole-of-University contract (see section 3.4), then that source should be used in the first instance. When the necessary goods or services cannot be sourced from an existing contract then a competitive process must be undertaken for commitments greater than $10,000. The following table sets out the minimum requirements for the procurement method that must be used for the procurement of goods and services when not purchasing from an existing contract.

<table>
<thead>
<tr>
<th>Monetary threshold¹</th>
<th>Minimum requirements</th>
<th>Documentation</th>
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<tbody>
<tr>
<td>Up to and including $10,000</td>
<td>Direct purchase.</td>
<td>The receipt or tax invoice.</td>
</tr>
<tr>
<td>$10,001 - $50,000</td>
<td>Two written quotes.</td>
<td>A written or electronic record of the quotations received and documentation for the basis of the selection.</td>
</tr>
<tr>
<td>$50,001 - $250,000</td>
<td>Three written quotes.</td>
<td>Request document or request instructions, request responses and documentation for the basis of the selection.</td>
</tr>
<tr>
<td>Above $250,000</td>
<td>A Procurement Plan agreed with Strategic Procurement (see 3.2) below.</td>
<td>Procurement Plan and subsequent evidence of execution of the plan and agreed outcomes.</td>
</tr>
</tbody>
</table>

3.1.2. A transaction will not be split for the purpose of reducing the minimum requirements above. Similarly, continued regular procurement of the same goods or services will be considered in the aggregate rather than piecemeal for the purpose of meeting the competitive requirements contained in these procedures.

¹ The total estimated cost of goods or services from a specific contract including any extension options, exclusive of GST; or total value of goods or services expected from a specific supplier in any one year should be used to determine the threshold and so which requirement must be met.
3.1.3. Exceptional circumstances may exist where the minimum requirements outlined in the table above are not appropriate. These exceptional circumstances may include, but are not limited to, the following:

(a) There is a genuine sole source of supply;

(b) Goods and services from a specific supplier are required to integrate within an existing contractual arrangement, existing equipment, project or ICT standard operating environment; or

(c) There is an emergency situation, preventing the calling of quotes/tenders in the time available. A lack of available time due to poor planning does not constitute an emergency situation.

Under such exceptional circumstances, exemption from the competitive requirement will be requested using the Request for Exemption from Competitive Requirements of the Procurement Procedures form. Approval must be received prior to proceeding or negotiating contractual terms with the proposed supplier. In the case where the highest threshold may be exceeded a Procurement Plan (refer Section 3.2) should be completed prior to any formal market approach or request.

Authorities to provide exemptions are as per the following schedule:

<table>
<thead>
<tr>
<th>Estimated value of proposed purchase</th>
<th>Officers authorised to approve exemption to the competitive requirements (any one of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,001 - $50,000</td>
<td>• Faculty Business Manager</td>
</tr>
<tr>
<td></td>
<td>• Director Properties, Facilities &amp; Development</td>
</tr>
<tr>
<td></td>
<td>• Chief Information Officer</td>
</tr>
<tr>
<td>Up to $250,000</td>
<td>• Executive Manager</td>
</tr>
<tr>
<td></td>
<td>• Director Strategic Procurement</td>
</tr>
<tr>
<td>Above $250,000</td>
<td>• Chief Operating Officer</td>
</tr>
<tr>
<td></td>
<td>• Chief Financial Officer</td>
</tr>
<tr>
<td></td>
<td>• Director Financial Operations and Strategic Procurement</td>
</tr>
</tbody>
</table>

Note: All completed and approved exemption forms for values over $50,000 are to be forwarded to Strategic Procurement on a timely basis.

3.1.4. Prior to approving an exemption to the competitive requirements, approvers will ensure:

(a) the business reasons for not complying with Section 3.1.1 are appropriate;

(b) there is evidence that the requester has sufficiently researched and understood the market; and

(c) the Request for Exemption from Section 3.1.1 of the Procurement Procedures form and documentation supporting the exemption decision are able to be audited.

The application of Section 3.6.1 is particularly relevant when seeking or approving exemptions from the requirements of Section 3.1.1.

3.1.5. Retrospective approval to waive the competitive requirements will not be given, with the exception of Level 2 or Level 3 critical incidents for which the Chief Operating Officer is authorised to formalise exemptions retrospectively where appropriate.

3.2. Procurement planning

Procurement planning is the phase in which the need is identified and, if appropriate, analysis and planning are carried out. Decisions are made regarding the method of procurement and the way in which the resultant contract will be managed.

3.2.1. Where the total estimated price of the proposed purchase is greater than the threshold (refer Section 3.3.1) a procurement plan is required and must be agreed to by Strategic Procurement at the commencement of the procurement planning phase. Strategic Procurement will be involved from this point forward to the extent necessary by agreement.

3.2.2. A procurement plan will typically summarise the business need, any current contractual arrangements, the approach to be taken, a market assessment and
commercial benchmarking and risks. A template and checklist are available as a starting point on the Strategic Procurement website.

3.2.3. The first step of procurement planning is to perform work to clearly articulate the need and consider the risks (see Section 3.2.5). This may necessitate undertaking research with key stakeholders and relevant industries. It may also necessitate understanding which current contracts the University can access. Details of whole-of-University contracts established can be found on the Strategic Procurement website.

3.2.4. Potential suppliers may be approached during the procurement planning phase for market sounding purposes only. This is to gauge level of interest, goods and services that are available and to gather other information that will assist in articulating the need and in formulating the procurement strategy.

3.2.5. A risk rating will be determined in the early stages of the procurement planning phase of the procurement process and a Risk Management Plan will be developed for those procurement projects that have been identified as having a high risk rating. The Risk Management Plan will be monitored and updated during the procurement planning and contract formation phases.

3.2.6. A procurement strategy will be developed during the procurement planning phase.

There are a number of matters which may prompt the University to consider how it selects Contracted Suppliers via the selection criteria or through contract obligations in the contract document. These will be determined on a case by case basis during the procurement planning phase. These include, but are not limited to:

(a) Key procurement principles, ie:
   (i) University needs are met;
   (ii) value for money is obtained and can be demonstrated; and
   (iii) risks are managed.

(b) Other matters
   (i) Values and Culture – demonstration of values that are consistent with those of the University should be included in selection criteria in all request documents. Where a Contracted Supplier will be providing services on behalf of Curtin to the University’s students or other stakeholders it is essential that they demonstrate values that are consistent to those of the University. Refer to Living our Values.
   (ii) Disability Services Act (WA) 1993 – if a Contracted Supplier will be undertaking work on the University’s behalf for its community (internal and external), then there is a requirement to seek and receive information from the University’s Contract Manager and the Contracted Supplier to assist the University collate the report to the Disability Services Commission. Further information for Contract Managers can be found at Curtinlife’s webpage Information for Contract Managers and for Contracted Suppliers at Information for Curtin Agents and Contractors.
   (iii) Ethics and Social Justice Commitment – as part of the University’s ethical standards and social justice commitments, it may be appropriate for Contracted Suppliers to demonstrate commitments that are consistent to those of the University. While these should be considerations in all instances, these commitments are particularly important where the Contracted Supplier will be providing services on behalf of the University, has interaction with the University community and/or has personnel that work on a University site. Refer to the University’s Equity and Social Justice Plans.
   (iv) Sustainable Procurement – in determining value for money, consideration should be given to economic, social and environmental matters that may include considering:
      • Strategies to avoid unnecessary consumption and manage demand;
      • Minimising environmental impacts of the goods and services over the whole life cycle of the goods and services;
      • Suppliers’ socially responsible practices including those of their supply chain and compliance with legislative obligations to employees; and
• Value for money over the whole-of-life of the goods and services, rather than just the initial cost.

3.3. Contract formation

Contract formation is the phase in which the contract documents, such as the conditions of contract, conditions of tendering, specification and description of work are put together, and the resultant contract is established.

3.3.1. Prior to commencing the contract formation phase an appropriate budget estimate will have been identified and allocated.

3.3.2. The contract formation phase commences with the creation of a request to respondents seeking submissions.

3.3.3. Prior to inviting respondents to make a submission, the evaluation methodology and criteria will have been developed.

3.3.4. All invited respondents will be provided with the same information, including the evaluation criteria. Where an incumbent Contracted Supplier exists, all reasonable information, including historical volumes, will be provided to all respondents.

3.3.5. For procurement projects with a budget estimate greater than $250,000 (excluding GST), an evaluation panel of at least three voting members will be convened to assess the submissions against the criteria.

3.3.6. Respondents who are unsuccessful in a competitive process will be advised the result of the evaluation process and given an opportunity to seek and receive feedback on their submission.

3.3.7. Any contract negotiations with a preferred respondent will maintain the integrity of the competitive process undertaken.

3.3.8. All respondent submissions are confidential and each submission should be viewed as commercially confidential information. Intellectual property included in submissions belonging to unsuccessful respondents will be kept confidential and not be used by the University outside of the evaluation process.

3.4. Contracts

3.4.1. Contracts will be signed on behalf of the University by an authorised signatory. The authority to approve to enter into and sign a contract is not the same as the authority to approve expenditure. Reference should be made to the University's Delegations Register to determine the staff able to approve to enter into and sign a contract on behalf of the University.

3.4.2. Contract documents executed on behalf of the University will:

(a) where possible be based on a current approved template. These templates are approved by Legal Services and Strategic Procurement and available from Strategic Procurement; Template changes to be considered in the context of the contract risk framework. Significant or high risk change to be reviewed with Strategic Procurement or Legal Services.

(b) a document which is reviewed by Strategic Procurement and where appropriate Legal Services prior to execution (Strategic Procurement may seek the assistance of Legal Services as necessary).

(c) a document which has been agreed by the approving authority (refer to Section 3.4.1) which mitigates against all reasonably perceived risks and is commercially acceptable to the approving authority.

3.4.3. When goods and services are required on an ongoing basis, rather than as a one-off purchase, a contract for a specified term should be entered into.

3.4.4. The term of contracts will not exceed five years (including extension options) unless approved by the Director Strategic Procurement, including “evergreen” contracts or other contracts without formal expiry dates.

3.4.5. If an available extension option of a contract is to be exercised, it will be agreed prior to the current expiry date of the contract. When a contract expires, the supplier is no longer a Contracted Supplier and requirements of Section 3.1 above will apply.

3.4.6. Types of contracts:
(a) Whole-of-University Contracts – these contracts are all contracts established for commonly purchased goods and/or services where buyers are from different areas will place orders. These contracts will be established and managed by Strategic Procurement. Staff will use these contracts if they have a need for goods and/or services that are available through a whole-of-University contract. Whole of University contracts may include WA Government Common Use Agreements, where they do, WA Department of Finance department buying rules need to be followed to ensure an appropriate outcome.

(b) Area Contracts – these contracts are established for particular goods and/or services required by an area. The goods and/or services will not duplicate what is available on a whole-of-University contract. The area that establishes such contracts will be responsible for managing them.

3.5. Contract management

Contract management is the phase in which the goods and/or services are received in return for payment by the University.

3.5.1. All contracts will have a designated University Contract Manager who will be representing the interest of the University. The Contract Manager will be replaced temporarily when they are unavailable for an extended period (e.g. on leave covering more than a few days) or permanently when they leave their position (e.g. move to another position at the University or leave the University).

3.5.2. All contracts will be managed by its designated Contract Manager who will ensure:

(a) transition to the new contract is managed;
(b) contract obligations are met by both the Contracted Supplier and the University;
(c) the performance of the Contracted Supplier is periodically monitored and timely remedial action is taken if required;
(d) appropriate regular communication occurs to review contract performance and resolve operational issues in a timely manner;
(e) extension options are considered and, where available and appropriate, exercised in a timely manner;
(f) current and emerging risks are considered and managed;
(g) contract objectives and outcomes are realised;
(h) contract closeout at contract expiry is managed; and
(i) in the event that a new contract is to be established at the expiry of the current one, a new procurement process is commenced in a timely manner that enables a smooth transition between contracts.

3.5.3. High risk contracts and contracts of a value greater than $250,000 (excluding GST) will be managed according to a Contract Management Plan. The Contract Management Plan will be continually updated, as appropriate, by the Contract Manager during the contract management phase. Additional details and guidance can be found on the strategic procurement web site.

3.5.4. The Risk Management Plan for contracts that have a high risk rating will be used and updated during the contract management phase.

3.6. Accountability and probity in procurement

3.6.1. Staff and contractors who conduct procurement activities on behalf of the University will not have or reasonably be perceived to have a conflict of interest. An individual having a conflict of interest, real or perceived, will remove themselves from any involvement in procurement decisions including influencing any procurement decision.

3.6.2. Staff and contractors who conduct, or are involved in, procurement activities on behalf of the University during the procurement planning and/or contract formation phases will not elicit or accept gifts, benefits or hospitality from respondents during those phases. Should a respondent be an incumbent Contracted Supplier, then any involvement with that Contracted Supplier should be minimised and only strictly in relation to the operations of the incumbent’s existing contract during the procurement planning and/or contract formation phases.
3.6.3. Each staff member involved in a formal procurement process will sign a Confidentiality and a No Conflict of Interest form prior to receiving and reviewing submissions.

3.6.4. Each member of any procurement process evaluation panel will ensure the confidentiality of submissions.

3.6.5. Staff and contractors who conduct procurement activities on behalf of the University will perform those activities ethically, honestly and fairly, and in a manner which is consistent with the various related University principles, values, codes, policies and procedures including, but not limited to:

Curtin University Values and Signature Behaviours;
Curtin University Code of Conduct; and
Conflict of Interest Procedures.

3.6.6. Staff and contractors acting on behalf of the University will be accountable for their procurement decisions and take responsibility for the achievement of procurement outcomes.

3.7. Records management

All documents originating from a procurement process covering the phases of procurement planning, contract formation and contract management are a Record as defined in the Information Management Policy and will be managed accordingly.

3.8. Employer/employee relationships

Where a contracted supplier is engaged in a manner in which they act like an employee (e.g. the University has control over the worker or the contractor is paid based on a period of time irrespective of whether a result is achieved), then the University may be liable to pay pay-roll tax, superannuation guarantee and other government charges. In those instances, the contractor may need to be paid through the payroll system. Staff will use the Specialist Labour Guidelines to determine the status of the contractor or seek advice from Taxation in Financial Services or both.

3.9. Procurement and management of hazardous materials

Staff who procure hazardous materials such as chemical, poisonous, biological or radiation-producing goods will comply with the various University guidelines, processes and legislative requirements for the procurement and management of these goods. Some of the hazardous materials will require approvals, licenses and/or permits prior to ordering the goods. Some will require special conditions for storage or use that need to be in place prior to receiving the goods.

Information about the requirements for biohazardous materials (quarantined materials, genetically modified materials, pathogenic microorganisms) and sources of radiation (sealed or unsealed radioactive substances [e.g. tritium, carbon 14, Cobalt 60], irradiating apparatus [e.g. e-rays] or electronic products [e.g. lasers, ultraviolet transilluminators, microwaves, radio frequency, ultrasound) can be found on the Research Safety website.

Information about chemicals and poisonous goods (e.g. toners, cleaning products, paints, fuels, herbicides and laboratory chemicals) can be found on Managing Hazardous Materials @ Curtin.

4. SCOPE OF PROCEDURES

These procedures apply to the procurement of goods and services (inclusive of works and utilities) whether performed by University staff or a contractor who acts on behalf of the University.

5. DEFINITIONS

(Note: Commonly defined terms are located in the Curtin Common Definitions. Any defined terms below are specific to this document.)

Contract Management Plan
The plan as defined in the Strategic Procurement Contract Management Guidelines and the template referred within the Guidelines.

Contract Manager
A University staff member who has the responsibility for the day-to-day management of the contract.
**Contracted Supplier**
The supplier to a specifically negotiated contract which is accessible by the University.

**Procurement**
The end to end process from the identification of a requirement to the delivery or completion of the purchase (for goods) or the completion of all obligations (for services). This includes the purchase of any good or service:
- regardless of the intended purpose or payment method (e.g., includes equipment for research purposes, regardless of the specifics of any grant application or acceptance); and
- regardless of any payment method (e.g., includes payment in the form of a commission rather than a direct payment).

Excluded from this definition are partnership arrangements with other Universities where the purpose is teaching or research (although if a good or service is to be purchased as a component of the overall partnership arrangement, that component is considered Procurement and subject to the Procurement Procedures).

**Risk Management Plan**
The plan as defined in the Strategic Procurement Contract Risk Management Guidelines and the template referred within the Guidelines.

6. RELATED DOCUMENTS/LINKS/FORMS
- University policies and procedures
  - [Conflict of Interest Procedures](#)
  - [Contract and Agreements Registration Procedures](#)
  - [Environmental Sustainability Policy](#)
  - [Purchasing Procedures](#)
  - [Information Management Policy](#)
  - [Records and Information Management Procedures](#)
  - [Risk Management Policy](#)
- University webpages
  - [Equity and Social Plans](#)
  - [Information for Contract Managers (DAIP)](#)
  - [Information for Curtin Agents and Contracts (DAIP)](#)
  - [Living our Values](#)
  - [Managing Hazardous Materials @ Curtin](#)
  - [Delegations Register](#)
  - [Research Safety](#)
  - [Specialist Labour Guidelines](#)
  - [Strategic Procurement contracts](#)
- University forms and other documents
  - [Curtin University Code of Conduct](#)
  - [Request for Exemption from Competitive Requirements of the Procurement Procedures form](#)

<table>
<thead>
<tr>
<th>Policy Compliance Officer</th>
<th>Philip Thomas, Director, Finance and Disruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Manager</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Approval Authority</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Review Date</td>
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<td>Version</td>
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