

# Procurement Manual

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### Purpose

This manual contains instructions that detail requirements and guidance for staff involved in engaging suppliers.

### Scope

Procurement has developed this manual to assist staff to implement the requirements of the [Finance Policy](#), particularly [Section 4: Procurement](#). This instruction manual covers:

- how to meet the principles relevant to procurement in the [Finance Policy](#)
- types of suppliers and engagement of suppliers
- probity and risk of engaging suppliers
- what considerations are necessary to ensure the sustainable procurement of goods and services

## Achieving UNSW's procurement principles

### 1. Value for money

- 1.1. To achieve value for money across the procurement lifecycle, staff will consider:
  - whether the good or service will be fit for purpose
  - current market prices and overall value for money
  - likely return on the investment
  - whole-of-life costs
  - delivery, effective warranties and ongoing support
  - evidence of the suppliers performance and experience
  - environmental and social impacts of goods and services throughout their lifecycle, and
  - applicable laws and regulations
- 1.2. Value for money is best achieved by a competitive process that suppliers can trust, knowing that their proposals will be assessed on merit.
- 1.3. UNSW enterprise suppliers and UNSW panel suppliers have been approved by Procurement and are an effective way to achieve value for money. In all instances the [Guided Buying Reference](#) will be followed.

### 2. Fit for purpose

- 2.1. Staff involved in procurement will ensure that goods, services, infrastructure and capital works procured are fit for purpose and accurately commissioned (for example, that purchased equipment will fit where it is to be installed).
- 2.2. Staff will repeatedly assess the quality and standards of the good, service, infrastructure or capital work to ensure that it will meet its purpose and can be used as intended.

### 3. Integrity, fairness and transparency

Staff involved in procurement will:

- 3.1. maintain high standards of integrity, fairness and transparency at all times, to prevent conduct which could impair public confidence in the integrity of UNSW,
- 3.2. keep records to be able to demonstrate that they have behaved with integrity (see Recordkeeping section below),
- 3.3. make decisions impartially, to ensure open competition between suppliers,
- 3.4. ensure that there is appropriate oversight and segregation of duties to prevent any single individual from having end to end control,
- 3.5. avoid any type of corrupt conduct (see the [Finance Policy](#) definition of corrupt conduct),
- 3.6. declare any potential or perceived conflicts of interest (see the [Conflict of Interest Disclosure and Management Policy](#)),
- 3.7. ensure that behaviour and communication complies with [UNSW's Code of Conduct and Values](#), and
- 3.8. follow the guidance of the Procurement team to ensure consistency in procurement practice across the University.

### ***Gifts and hospitality***

Staff involved in procurement must avoid any perception of being influenced by gifts or hospitality from a supplier.

- 3.9. Staff involved in sourcing and obtaining quotes:
  - must not accept gifts, hospitality or any other benefits from a current or prospective supplier of the good, service, infrastructure or capital work that is being procured.
  - if attending any hospitality with the supplier, they must pay their own way.
- 3.10. Staff involved in managing the ongoing relationship with a supplier:
  - may accept modest hospitality from the supplier (lunch, coffee, tea associated with business meetings to discuss goods, services, infrastructure or works), but
  - they must not accept gifts, restaurant meals, alcoholic drinks, tickets to the theatre or to sporting events, unless they disclose these to their manager and register them in the Register of Gifts and Benefits.
- 3.11. Staff involved in sourcing and obtaining quotes:
  - should consult Procurement if they are uncertain about gifts or other benefits from a supplier,
  - must consult Procurement if accepting a gift or other benefit will place them in a position where they may be, or may be perceived to be, compromised or influenced, and
  - should familiarise themselves with the Gifts and Benefits Procedure.

### ***Appointment of a probity advisor***

- 3.12. Procurement may require staff undertaking a high profile, complex or high-value procurement to engage a probity advisor ([Finance Policy](#), Section 4: Procurement procedure, clause 1).
- 3.13. A probity advisor may be engaged to ensure integrity is maintained and that the process is fair and transparent.
- 3.14. A probity advisor had no authority or decision-making power.

## **4. Risk management**

- 4.1. Staff involved in procurement will identify, consider and manage risks of the good, service, infrastructure or work.
- 4.2. The [Finance Policy](#) requires that, where procurement of a good, service, infrastructure or work identifies significant risks, the staff involved in procuring it, will develop and implement a risk management plan (see [Risk Management Manual](#) for advice).
- 4.3. Procurement of goods and services must include health and safety (H&S) specifications in the request for response documentation and responses will be evaluated against these H&S specifications (refer to the [Health & Safety website](#))
- 4.4. Staff involved in procuring goods that may be deemed hazardous or be deemed a restricted good, must follow specific processes (refer to [Hazardous Chemicals Procedure](#)).
- 4.5. Assessment of risk should consider:
  - whether the supplier is able to deliver the goods, services, infrastructure or works on time and within budget,
  - whether it is fit for purpose,
  - the nature of the contractual arrangement (deviations from standard terms and conditions), and
  - whether the goods or services are new to market, their geographical location, environmental, social footprint, or where impact to UNSW may be high.

## 5. Recordkeeping

- 5.1. Procurement activities are subject to internal and external scrutiny. Procurement records may be examined by audit staff, the Independent Commission Against Corruption, policy and any member of the public under the *NSW Government Information (Public Access) Act 2009* (GIPA).
- 5.2. Staff involved in procurement will:
  - keep complete records of procurement activities and file these in the recordkeeping system: see the [Records and Archives Office website](#) and refer to the [Recordkeeping Policy](#), and
  - where an engagement has a value of \$150,000 including GST or more (\$136,363 excluding GST), the copy of the contract, evaluation and approval decision records for the procurement activity must be recorded in the approved GIPA system of use. If one is not in effect, the records are emailed to [procurement@unsw.edu.au](mailto:procurement@unsw.edu.au).

## 6. Sustainable procurement

- 6.1. Staff involved in procurement will ensure that sustainability (including at a minimum, modern slavery, environmental sustainability and social procurement) will be included in the evaluation and selection of a supplier (refer to [Sustainable Procurement website](#) and [Sustainability UNSW](#)).
- 6.2. Staff procuring goods or services with the total cost \$350,000 or greater, are to engage with the Procurement team. The request for response will include evaluation criteria with an agreed weighting, not less than 5%.
- 6.3. Staff procuring goods or services for the total cost below \$350,000 should seek guidance from the Finance website and consider the minimum evaluation weighting of 5% in the request for response documentation.
- 6.4. When procuring goods, services, infrastructure and capital works, staff should:
  - select goods and supply chains that will minimise harm to the environment over the total lifecycle, including disposal,
  - avoid unnecessary consumption and reduce demand where possible,
  - seek opportunities to share existing UNSW assets,
  - select suppliers, service providers and subcontractors who demonstrate accountability for human and labour rights, comply with legislative obligations towards their staff and have measures in place to mitigate modern slavery, and
  - as far as practicable, ensure that supply of a product or service has not involved slavery.
- 6.5. Social impact is part of [UNSW's Strategy](#). Staff should be familiar with the strategy and support this goal by selecting:
  - Indigenous owned suppliers,
  - female owned suppliers,
  - disability enterprises,
  - suppliers with certified social impact.
- 6.6. Staff are to ensure that goods and services being procured are accessible and inclusive for staff, students and the community.

## 7. Engaging with suppliers

- 7.1. Staff are required to engage with suppliers in a fair and transparent manner. This ensures the best possible outcome is achieved for both parties.
- 7.2. The [Procurement procedure](#) section of the Finance Policy states staff involved in procurement will use the templates and systems maintained by Procurement, following the provided instructions.
- 7.3. Staff are to refer to the [Guided Buying Reference](#) that provides information on the type of procurement activity, the minimum number of quotes needed based on total cost and the type of

supplier engaged.

- 7.4. The [Guided Buying Reference](#) provides what the minimum requirement is for the procurement activity. Staff may elect to obtain more than the minimum requirements specified.
- 7.5. If the total cost of procurement is likely to increase at any stage of the procurement or contract lifecycle, the minimum number of quotes, or whether to engage the Procurement team must be based on the total cost of the procurement activity.
- 7.6. The appropriate Financial approval applies to the total cost of the procurement activity. This amount is to include the initial term and all extension periods (where applicable). The total cost of the procurement should consider at a minimum the supply, servicing, freight, installation, implementation, training, support, maintenance and disposal of the good or service.
- 7.7. Where a supplier is delivering services (such as a sole trader, delivering services under time and labour or considered under any other scenario on [engaging contractors for services intranet page](#)), the [contractor approval request \(CAR\)](#) tool must be submitted prior to engaging. This is to ensure that all Contractors are identified and verified by the appropriate UNSW team.
- 7.8. Where procurement activity involves a payment in foreign currency of \$350,000 or greater, staff must seek guidance from the Treasury & Investments team ([forex@unsw.edu.au](mailto:forex@unsw.edu.au)). Refer to [finance procedures](#).
- 7.9. Where a procurement activity results in the entering into a contract of below \$350,000, the appropriate contract for use should be requested from UNSW's Legal and Compliance team [legaloffice@unsw.com.au](mailto:legaloffice@unsw.com.au).
- 7.10. The contracting of any external legal services, regardless of the total cost of the activity requires staff to engage the UNSW Legal & Compliance team [legaloffice@unsw.com.au](mailto:legaloffice@unsw.com.au).

## 8. UNSW engaged suppliers

- 8.1. Suppliers engaged by UNSW are classified as follows:
  - a. Procurement established **enterprise supplier**, or
  - b. Procurement established **panel supplier**, or
  - c. Staff or Procurement team established **specific-use supplier**, and
  - d. External suppliers established by a third party organisation called a **piggyback supplier**.
- 8.2. **Enterprise supplier**
  - The Procurement team have established the engagement with the supplier and UNSW staff, across enterprise are required to use this supplier for the specified good and service.
  - There is typically only one supplier that delivers the good or service to UNSW.
  - Where there is an approved buying channel by Director, Procurement, the channel should be used to engage with the enterprise supplier.
  - The contract is managed by the appropriate department or faculty team, with support of the Procurement team. The objective of the contract is to achieve cost efficiencies, consistency and compliance across UNSW.
- 8.3. **Panel supplier**
  - The Procurement team have established the engagement with the supplier(s) and UNSW staff are required to use these suppliers for the goods and services specified under the panel arrangement.
  - There is typically more than one supplier that delivers the good or service to UNSW.
  - Where there is an approved buying channel established by Director, Procurement, the buying channel should be used to engage with panel supplier(s).
  - Quotes are sought in accordance with the threshold set out in the [Guided Buying Reference](#).

- Where a panel needs to be established but the total lifecycle cost is below \$350,000, the Procurement team must be engaged.
- The contract is managed by the appropriate department or faculty team, with support of the Procurement team. The objective of the contract is to achieve cost efficiencies, consistency and compliance across UNSW.

#### 8.4. **Specific-use supplier**

- Either the Procurement team or UNSW staff have established the engagement in accordance with the [Guided Buying Reference](#) thresholds.
- The delivery of goods and services are limited to a specific project, department or faculty need.
- There is typically one supplier that will deliver the specific requirement.
- There is clear delineation of what the good or service is and at a minimum, key deliverables, duration and pricing.
- Should the supplier be required for additional purposes with respect to the good or service or is intended for use by other department or faculty, the total procurement cost and intended use must be clearly documented and the appropriate procurement threshold followed. Refer to the [Guided Buying Reference](#).

#### 8.5. **Piggyback supplier**

- a. The engagement has been established by a third-party organisation, including but not limited to National and State Panels, University Consortia Agreements (AUPN), Council of Australian Librarians (CAUL), Council of Australian University Directors of Information Technology (CAUDIT), Australasian Procurement and Construction Council (APLAC), Higher Education Services (HES) and Universities Procurement Hub (UPH).
- b. UNSW staff may use the available arrangements; however the engagement process must follow the [Guided Buying Reference](#), rather than those of the third party.
- c. Suppliers must be approved by Procurement to be recognised as enterprise or panel suppliers. Once approved, UNSW staff are to engage the supplier in accordance with the [Guided Buying Reference](#).
- d. The contract is typically managed by the third party organisation, with a local statement of work or defined purchase order managed by the appropriate UNSW department or faculty team.
- e. The piggyback engagement should offer several advantages such as whole of government discounts, standardised rate cards, prequalified suppliers, reduced administration burden as well as allowing for scalability and contract compliance depending on the arrangement being leveraged.

## 9. Obtaining quotes

- 9.1. A price for a good or service for an enterprise supplier or panel supplier (refer to [Guided Buying Reference](#)) is considered equivalent to a written quote for the good or service.
- 9.2. A quote from a supplier should describe the:
  - goods, services, infrastructure or work,
  - quantity,
  - total cost including delivery, ongoing maintenance, etc., and
  - lead time or estimated delivery date.
- 9.3. Procurement provides guidelines on seeking quotes.
- 9.4. Staff may use [TenderBox](#) to issue a request for quotes (RFQ): staff must register with Procurement (email [procurement@unsw.edu.au](mailto:procurement@unsw.edu.au)) for access to [TenderBox](#).

- 9.5. Where staff are required to obtain more than one quote:
- These must be from different suppliers, with different Australian Business Numbers (ABN).
  - Where a supplier is asked to quote, but does not provide a quote, this is considered to contribute to reaching the number of quotes, ensuring the same information is sent to all suppliers
  - Staff must retain all evidence of the RFQ process (requests for quotes, quotes received, communications from suppliers declining to send quotes). Refer to Recordkeeping requirements.
- 9.6. When creating the purchase order record in NS Financials for the financial delegate to review, staff must:
- if the purchase required a quote or multiple quotes, attach all quotes, including the successful one,
  - where the financial delegate approved an exemption from the required number of quotes, attach a copy of the delegate's advice of the exemption, and the single quote, or
  - if the purchase did not require quotes, attach evidence of the price obtained.

## 10. Grants

- 10.1. The conditions of a grant received by UNSW for educational or research purposes may detail that UNSW will buy a specific piece of equipment and/or use a specific supplier.
- 10.2. Staff are advised to consult Procurement if they are considering applying for, or have received, a grant of which the conditions detail the specific piece of equipment or supplier.
- 10.3. Where this is the case, and procurement transactions with the grant funds will total:
- up to and including \$350K, procurement of the equipment or service can proceed as specified by the grant conditions, without an exemption, unless:
    - the grant application process did not include seeking a fixed price,
    - 12 months have passed since quotes were written, or
    - factors have arisen that make it advisable to request quotes again, such as, new suppliers have entered the market or new and improved technology has become available.
  - more than \$350K:
    - staff considering applying for the grant are advised to consult Procurement before they do so, and
    - if such a grant is received, the procurement process must follow the [Guided Buying Reference](#).

## 11. Establishing and monitoring supplier arrangements

- 11.1. Where a staff member needs to use a new supplier, they must:
- create the supplier in NS Financials by the Finance vendor creation process, and
  - raise a purchase order in NS Financials, providing the required documentation.
- 11.2. Where engaging a supplier involves entering into a contract with them, staff must use the relevant contract template (to minimise legal/commercial risks associated with contracts).
- 11.3. The [Procurement Procedure](#) section of the Finance Policy states that any variation to a standard contract template must be approved by Procurement or Legal.
- 11.4. The [Procurement Procedure](#) section of the Finance Policy requires that staff who established a contract with a supplier will:
- monitor the supplier's performance to see if they are meeting the contract terms and conditions
  - Procurement can offer guidance and support on managing suppliers.
- 11.5. Where a contract must be varied, so that the total cost of the contract will exceed the financial delegation of the committee or officer who approved the original contract, the Delegations Policy



states that the variation must be approved by a financial delegate with the delegation to approve the total cost, including the new and previous cost with the supplier.

## 12. Exemptions and bulk exemptions from required number of quotes

- 12.1. The [Procurement Procedure](#) section of the Finance Policy provides for the financial delegate who will approve a procurement transaction to exempt it from the requirement of a minimum number of quotes.
- 12.2. To seek an exemption or bulk exemption, staff must:
  - provide satisfactory, documented reasons for an exemption, and
  - demonstrate how the procurement process will still meet the principles of the Finance Policy relevant to procurement.
- 12.3. Where an exemption will involve direct negotiation with a supplier, this entails risk that the supplier will be unfairly or improperly advantaged. Accordingly, staff must seek advice from Procurement and familiarise themselves with the [Guidelines for managing risk in direct negotiations](#) published by the Independent Commission Against Corruption.
- 12.4. Where an exemption or bulk exemption has been granted, staff must include a copy of the signed exemption or bulk exemption when creating the purchase order in NS Financials for the financial delegate to review.

## 13. Payment

- 13.1. In Procurement negotiations, to minimise risk, staff should always:
  - negotiate, so as to pay as little as possible up front, and
  - consider including risk reduction measures such as bank guarantees.
- 13.2. Payment in advance can only occur where the financial delegate who is approving a procurement transaction agrees that it is necessary to make a deposit of part of total cost, to secure the goods, service, infrastructure or work.
- 13.3. Staff must seek advice from Treasury or Procurement before making a payment in foreign currency where there is an exchange rate risk, or the payment will be a total equivalent to more than \$AU350K.

## 14. Unsolicited proposals

An unsolicited proposal (USP) is when a third party approaches UNSW with a proposal that has not been formally requested and which is not being addressed through an existing process.

- 14.1. The [Procurement section](#) of the Finance Policy states that where a staff member receives an unsolicited proposal from a supplier, they must forward it to Procurement ([procurement@unsw.edu.au](mailto:procurement@unsw.edu.au)) for review.
- 14.2. In reviewing unsolicited proposals Procurement will follow the [NSW Government Unsolicited Proposals Guide for Submission and Assessment](#) (May 2022) to the extent that it is applicable to UNSW and its operations. This process will start with an initial review to confirm whether the USP is something UNSW would consider further.
- 14.3. Generally, USPs will be reviewed against a set of guiding principles to determine the appropriateness for further consideration and development. These principles are:
  - the proposal is unique and innovative and cannot be reasonably delivered by another supplier or achieve the same (or greater) value for money outcome through a procurement process within acceptable timeframes,
  - the proposal aligns with UNSW policies and strategic objectives,
  - there is a demonstrated need for the goods and/or services,
  - the proposal is financially, economically, socially and technically feasible.



- 14.4. Where, after initial review, a USP is assessed as being suitable for further investigation, this will be done in accordance with UNSW policy documents and processes for managing commercial opportunities, using the [NSW Government Guide](#) as the basis for this assessment. In order for a USP to be progressed, the USP should be assessed as satisfactorily meeting the following criteria:
- uniqueness
  - value for money
  - whole-of-University impact
  - return on investment
  - capability and capacity
  - affordability
  - risk allocation

Further guidance on the key considerations for these criteria can be obtained from the [NSW Government Guide](#).

**Effective:** 12 December 2024

**Responsible:** Chief Financial Officer

**Lead:** [Director, Procurement](#)

#### Revision history

Policy document in effect	Approval	Change
Procurement Manual (1.0) 11 November 2024	Director, Procurement	New instruction
Procurement Manual (1.1) 12 December 2024 <ul style="list-style-type: none"><li>• Updated legal office email address</li></ul>	Director, Procurement	Administrative