Procurement Policy

Section 1 - Policy Statement

(1) The University has a responsibility to ensure that all expenditure, regardless of funding source, must be publicly defensible.

(2) All procurement activity must be conducted with integrity and in an ethical, competitive, transparent, and consistent manner that generates best value for money and can withstand audit and scrutiny. All staff must comply with this policy and adhere to the processes in the Procurement Procedure. All expenditures must be approved in accordance with the Delegations Policy.

Policy principles

Best value for money

(3) Procurement of goods and services must deliver the best value for the University. In practice, the lowest cost may not always be the best value for money. When procuring goods or services, staff must consider that the goods and services being purchased are fit-for-purpose, and that any risks associated with health and safety, sustainability, and Modern Slavery laws have been considered and mitigated.

(4) Procurers of goods and services should also consider factors including quality, value-added benefits, after sales service and maintenance, timeliness of delivery, reliability of supply, installation and commissioning and whole of life cost and budget.

Ethical behaviour and fair dealing

(5) All procurement activities must be conducted in an honest, fair and transparent manner and in accordance with the Code of Conduct - Employees.

(6) Staff who in the preceding 12 months have accepted gifts or benefits, including hospitality, from a prospective or current supplier, service provider, or University partner must recuse themselves from any procurement process, including contract renewal or variation.

(7) Any actual, potential or perceived conflict of interest must be managed in accordance with the Conflicts of Interest Policy.

Open and effective competition

(8) Procurement activities should encourage competition and foster innovative business solutions that drive best value for the University.

Indigenous participation and enhancing local businesses

(9) Procurement activities should be planned to stimulate the participation of Indigenous enterprises and support the growth and development of Territory businesses that provide benefits to the University, Northern Territory and local communities.

Legislative compliance

(10) All procurement activities must give regard to various laws and their application to the University sector such as Australia's Foreign Relations (State and Territory Arrangements) Act 2020. Risks associated with procurement of goods, technology or information which could have military end use or are included in the Defence Export Controls Act 2012 must be considered and mitigated as per the Defence Export Controls Policy.

Procurement methods

(11) There are 3 options available when procuring goods or services:

Category procurement

(12) Category Procurement is a strategic approach which effectively bundles the wide range of products and services purchased into groups of similar or related products e.g. travel and accommodation, computers and mobile phones. This enables the University to leverage best value outcomes through market competition and negotiate on larger volumes which can be significantly superior to traditional transactional based purchasing methods. Category Procurement requires the establishment of an Approved Supplier or Panel.

(13) Where an Approved Supplier or Panel exists for a category of goods or services, it must be utilised for procurement. This is the simplest and most efficient way to procure categories of goods and services and ensures that Policy Principles are adhered to. The category register link is contained in the Procurement Procedure and is regularly updated.

Thresholds procurement

(14) Where goods and services cannot be sourced from an Approved Supplier or Panel, then the following requirements apply:

Value in AUD (excluding GST)	Procurement Requirements
$25,000 or below	1 written quote
$25,001 – $200,000	3 written quotes
Over $200,000*	Undertake Procurement Lifecycle Approach; i.e. Planning, Sourcing and Contract Management.

*Typically would require a public tender however a Lifecycle Approach should help determine best procurement method.

Alternative procurement method

(15) Where goods and services cannot be sourced by one of the above methods, an Alternative Procurement Method must be prepared providing justification and evidence in respect to:

a. Reasons why the goods or services cannot be supplied by an Approved Supplier or Panel
b. The unique and specialised nature of the requirement is only able to be provided by a single supplier
c. Risks to the University in time and costs in adhering to policy and procedures
d. The requirement is for an emergency or urgent need concerning health, security or safety.

(16) The Alternative Procurement Method must be approved by the Procurement Steering Group.

Standing exemptions

(17) A number of exemptions may be used by CDU staff to provide flexibility for sourcing of goods or services where it may not be practical or possible to seek quotations or test the market. The following items are exempt:

a. The purchase is from Government or a Statutory body
b. The supplier has been specified by the grantor under a Funding Agreement e.g. NHMRC
c. The purchase or lease of real property
d. Library Subscriptions, Conferences, Membership to Professional Organisations or Associations and National Peak Bodies
e. Works of Art, exhibitions, performances acquired or commissioned by CDU or the CDU Art Gallery
f. Placement Fees
g. Emergency events
h. Sponsorships and donations managed by Marketing, Media and Communications
i. Renewal of ongoing software maintenance and licensing agreements – up to 5 years. Any other contract renewal requires a contract extension request
j. Purchase of livestock at public auctions
k. Agent commissions for student recruitment
l. Procurement by HES, Australian University Procurement Network (AUPN), Universities Australia (UA) and other similar Australian University groups.

Contract extension request

(18) A contract extension can be requested for a supply contract where the initial term and further term is less than 5 years in total (i.e. initial term is 3 years, the contract can be requested to be extended for another 2 years). A supply contract cannot be extended beyond 5 years without going to market.

(19) Where a contract is being extended within the tendered scope (i.e. the initial term of three years with renewal options of up to an extra two years) the contract may be extended without approval by the Procurement Steering Group.

(20) A contract extension request must detail how the supplier was initially engaged, their performance during the contract term, and any risks associated with the extension activity.

(21) A contract extension request must be reviewed by Governance in accordance with the Contract Management Policy and Procedure and approved by the Procurement Steering Group.

Section 2 - Definitions

Indigenous enterprises and prescribed body corporate	An Indigenous enterprise is an organisation that is 50% or more Aboriginal-owned or controlled, and that is operating as a business (including a company, incorporated association, trust, social enterprise, or registered charity operating a business).
Approved Supplier or Panel	A supplier or panel of suppliers that has been chosen by the University through the Procurement Lifecycle process as the Approved supplier or panel of suppliers for a category of goods or services.
Category Register	Bundles of goods and services that are of similar nature or related products. A Category Register can be found in the Procurement Procedure.
Procurement Steering Group	A management steering group established for the purposes of ensuring that the University's procurement activities adheres to policy.

Procurement Lifecycle Approach	The end-to-end procurement activities that incorporate Planning, Sourcing and Managing of Contracts.

Section 3 - Non-Compliance

(22) Non-compliance with Governance Documents is considered a breach of the Code of Conduct – Staff or the Code of Conduct – Students, as applicable, and is treated seriously by the University. Reports of concerns about non-compliance will be managed in accordance with the applicable disciplinary procedures outlined in the Charles Darwin University and Union Enterprise Agreement 2022 and the Code of Conduct – Students.

(23) Complaints may be raised in accordance with the Code of Conduct – Staff and Code of Conduct - Students.

(24) All staff members have an individual responsibility to raise any suspicion, allegation or report of fraud or corruption in accordance with the Fraud and Corruption Control Policy and Whistleblower Reporting (Improper Conduct) Procedure.

Status and Details

Status	Historic
Effective Date	29th November 2022
Review Date	4th May 2024
Approval Authority	Vice-Chancellor
Approval Date	29th November 2022
Expiry Date	3rd April 2025
Responsible Executive	Bryce Dorrian Chief Financial Officer
Implementation Officer	Al Flores Associate Director Financial Performance
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