

POLICY: Procurement

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Purpose

To ensure that all purchases of the association are made in an accountable manner and appropriately authorised manner.

To ensure that ethical behaviours such as honesty, integrity, diligence, fairness, trust, respect and consistency are adhered to. This protects the integrity of each procurement process being undertaken by the association, promotes members' confidence and manages potential risks, perceived or otherwise, to the association.

Principles

Association purchasing activities shall seek value for money.

Association purchasing shall be conducted in a manner that encourages competition amongst suppliers, generating opportunities to achieve the best outcome for the student body.

Association funds must be used solely for the purposes of the association in an efficient, effective and ethical manner.

Association purchasing activities shall be undertaken in accordance with the principles of accountability and transparency.

Association procurement shall be conducted in accordance with the principles outlined in the below procedure, with particular attention paid to the requirements associated with various procurement thresholds.

Procedure

1. Association procurement requirements are dependent on the value of the goods and services being sought.
2. A procurement must not be divided or split into separate parts to avoid a procurement threshold.
3. The associations should avoid perceived and/or real conflicts of interest. Particular attention should be given to this policy if an association is considering purchasing goods and/or services from suppliers who:
 - a. are current employees or office bearers of the association
 - b. are past employees or office bearers of the association
 - c. have a personal relationship with any of the employees, volunteers or representatives involved in the procurement process.
4. All below thresholds are subject to the [Purchases Policy](#)

Minor Procurement Threshold Requirements (less than \$1,000 in value)

1. No quotation is required; and
2. Purchasing individuals are expected to use their knowledge of the available market to secure value for money.

Medium Scale Procurement Threshold Requirements (\$1,000 to \$9,999 in value)

1. A minimum of two written quotations are required;
2. Quotations must be attached to the [Expense Form](#), and sighted by at least two Executive members prior to authorisation of expenditure; and
3. Purchasing individuals are expected to use their knowledge of the available market to secure value for money.

Large Scale Procurement Threshold Requirements (\$10,000 to \$99,999 in value)

1. A minimum of three written quotations are required;
2. Quotations must be attached to the [Expense Form](#), and sighted by at least two Executive members prior to authorisation of expenditure; and
3. Purchasing individuals are expected to use their knowledge of the available market to secure value for money.
4. The ANUSA Executive may treat a proposed procurement of greater than \$50,000 but less than \$100,000 as a major procurement under this policy if:
 - a. the Executive is satisfied that it would be impractical or impossible to obtain three quotations for the proposed procurement; and;
 - b. this decision is recorded in the minutes of the next Executive meeting.

Major Procurement Threshold Requirements (\$100,000 or greater in value)

1. A minimum of one written quotation is required;
2. A committee appointed by the Executive will manage the procurement exercise
3. Proposed expenditure must be evaluated by the committee appointed by the Executive with the assistance of the Executive at a meeting (by doing the following:
 - a. assessing compliance with the constitutional aims of the association
 - b. assessing the technical viability of the proposed solution;
 - c. assessing the capability of the proposed supplier to provide the goods or services, including technical and management competence and financial resources;
 - d. taking account of the benefits and costs involved on a whole of life basis with a focus on value for money over cheapest price; and
 - e. identifying the solution that represents best available value for money in line with this policy.
4. The evaluation and ultimate decision of the committee appointed by the Executive must be recorded in minutes to be published on the ANUSA website which:
 - a. provide full details of the process;
 - b. provide a clear and publicly defensible appraisal of the proposal;
 - c. notes any potential constraints or risks;
 - d. recommend acceptance of a quotation subject to satisfactory negotiation of a contract.

Contracts

A procurement exercise is valid for the term of the contract (including extensions entered into in contract variations).

Any further procurement undertaken following expiration of a term of a contract must be conducted with reference to the Procurement Policy.

Procurement Ethics

Related: [Gifts and Entertainment Policy](#)

Staff, representatives and volunteers involved in association purchasing activities must disclose any actual or perceived conflict of interest arising from the purchasing activity.

Where an actual or perceived conflict of interest has been identified, such a conflict shall be actively managed by the board or involvement prohibited.

The associations and their staff, representatives and volunteers must not seek to benefit from supplier practices that may be dishonest, unethical or unsafe.

Staff, representatives and volunteers must avoid all situations that could give rise to a conflict of interest, either real or perceived.

Environmental Outcomes

Procurement activities should encourage positive environmental outcomes through the promotion of environmental standards, energy efficiency, re-use, recycling, disposal practices and natural resource conservation.