

FMPM 711 – Procurement Procedure

Intent

The Procurement Procedure outlines the procurement processes at James Cook University (JCU) in order to:

- achieve value for money and continuous improvement in the provision of goods and services (including construction) for JCU;
- ensure resources are used efficiently and effectively;
- ensure compliance with legislative requirements;
- achieve high standards of fairness, openness, probity, transparency, risk management and accountability; and
- minimise the cost of submitting quotations and offers for potential Suppliers.

JCU has an obligation to ensure procurement processes, activities and documentation demonstrate accountability and compliance with the Queensland Procurement Policy 2017.

Scope

This procedure applies to all JCU staff (including adjuncts) and students (full time, part time, temporary and casual) when conducting business on behalf of JCU.

This procedure does not extend to the provision or securing of grants, engagement of staff members on the JCU payroll, or acquisition, disposal of Real Property interests and market led proposals and projects which are covered by the Queensland Government Project Analysis Framework.

This procedure is to be read in conjunction with the University Financial Management Practices Manual (FMPM), and specifically with the Procurement Policy (FMPM 710).

Compliance with this procedure is mandatory. It is expected that every effort will be made to ensure standards of conduct outlined in this document are respected in all procurement activities conducted for and on behalf of JCU. Failure to comply with this procedure may result in disciplinary action.

Definitions

Acquisition or Purchase - any procurement of any kind in the form of 'supply' including goods and services, and the receipt of advice or information.

Blanket Order or Standing Order – a purchase order for the regular, ongoing supply of goods or services that negates the need to raise new purchase orders each time a new supply with the same Supplier is required.

Closed Offer – an offer process where Requests for Offer are issued to pre-selected Suppliers only.

Conflict of Interests - a conflict of interest arises for a member of JCU staff when there is a conflict between the staff member acting for the benefit of the University and the staff member's own private interest, e.g. a staff member has a financial interest in a company which has offered for the provision of goods and services to the University. Conflict of interests can involve financial or non-financial interests of the staff member and the interests of a business partner or associate, family member, friend or person in a close personal relationship with the staff member. A conflict of interests can be reasonably perceived, potential or actual conflict of interests. See Section D.

Consultant and/or Consultancy – a person, company or body who provides expert knowledge to analyse information, draw conclusions and make recommendations for future action, which JCU may use to take a course of action to reach a desired outcome. The nature of the proposed outcomes may be open ended and complex e.g. a range of recommendations for JCU to consider.

Contract - a legally enforceable promise to which all parties agree. It can also called an ‘agreement’ which creates a mutual set of obligations to do certain things that the parties are bound, at law, to carry out.

Contractors for non-professional services – which include trade service providers (plumbers, carpenters, electricians and painters), cleaning services and temporary staff who are engaged to provide office services including data entry, administration etc.

Contractors for professional services: contractors such as architects, quantity surveyors, hydraulic engineers, landscape designers, and temporary staff who are engaged to provide office services including data entry, administration etc. A professional services contractor implements an existing process to deliver a known product/outcome.

Contract Manager - the person nominated by JCU to manage the day-to-day matters of the contract. See also Superintendent.

Contract Owner – the JCU employee who initiates a Request for Offer (RFO) and is the technical representative during the process. The Contract Owner may also be responsible for the management of any subsequent contract.

Corporate Procurement Plan - the plan that sets out the JCU objectives to be achieved through procurement activities consistent with the objectives of the Queensland Procurement Policy 2017, how JCU will meet its specified objectives, and mechanisms through which the achievement of JCU’s procurement objectives will be measured.

Delegate/Financial Delegate - refers to JCU staff authorised by a valid instrument delegating the authority of the University Council to sign a contract or document within a financial limit on behalf of JCU as set out in FMPM Appendix A – Delegations Policy and FMPM Appendix A – Delegations Register.

Evaluation Criteria - the criteria used to evaluate the compliance and/or relative ranking of offer responses.

Expression of Interest (EOI) - a request for information used to shortlist potential Suppliers before seeking offers. Usually the information is high-level and specific, and is used to identify potential Suppliers interested in, and capable of, delivering the required goods or services.

FinanceOne - JCU’s corporate financial transaction and management system.

Financial Delegate – A member of JCU staff who is authorised under JCU Policy FMPM –Appendix A – Delegation Policy and Delegations Register to approve the purchase of goods or services.

Goods - a commodity, or a physical, tangible item that satisfies some human want or need, or something that people find useful or desirable and make an effort to acquire it.

Individual Contractors/Sole Traders – is a person trading as the individual legally responsible for all aspects of the business. This includes any debts and losses, which cannot be shared with others.

Mex Work Order - An official JCU document issued by the Estate Directorate that authorises a purchase transaction. When accepted by the supplier, it becomes a contract binding on both parties. A Mex Work Order sets out the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific supplier.

Procure to Pay (P2P) – the Strategic Procure to Pay Unit within the Directorate Financial & Business Services.

Pre-Qualified Suppliers - a number of specialist Suppliers in a field or industry who have been pre-qualified through an open offer process.

Preferred Suppliers - parties with whom JCU enters into a Standing Order Arrangement (SOA).

Preferred Supplier Panels - a number of specialist Suppliers in a field or industry who have been assessed through an open offer process and have entered into a Standing Order Arrangement with JCU.

Probity Advisor - a person or company which provides advice and assistance before and during the course of the procurement process, as a basis for improving the procurement outcome and addressing probity issues that arise.

Purchase Order – An official JCU FinanceOne document issued by the P2P team that authorises a purchase transaction. When accepted by the supplier, it becomes a contract binding on both parties. A Purchase Order sets out the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific supplier.

Purchaser - a staff member, student, contractor or work unit making a purchase acting on behalf of JCU.

Property - Includes goods, plant and equipment, buildings and infrastructure of all kinds.

Real Property - Includes land interests of all types including freehold and leasehold.

Request For Proposal (RFP) - a procedure used to request or encourage Suppliers to propose solutions to achieve a desired outcome or resolve a specific problem, especially for larger and more complex requirements.

Request for Quotation (RFQ) - a request for stating the estimated cost of procurement from a Supplier for a specific good or service. Acceptance of the quote creates a contract, subject to the terms of acceptance. Can also be referred to as Request for Offer.

Request For Tender (RFT) - a request for offers that includes a set of defined requirements, where tenderers are advised of all requirements involved, including the conditions of tendering and proposed contract conditions. This process can entail multiple stages for more complex requirements and is the most viable and transparent procurement method.

Single Contracted Supplier - where JCU has established a contract with one Supplier to provide a specific type of good or service.

Single Source Supplier – a Supplier selected by JCU without the completion of a competitive process in a market where there is more than one Supplier.

Sole Source Supplier – a Supplier selected by JCU where there is only one Supplier capable of supplying the goods or services in the market.

Standing Order Arrangements (SOAs) - an agreement between JCU and a Supplier which defines the

nature of the services to be provided to JCU by the Supplier, the financial limit and duration of the SOA and may include a schedule of rates or charges that apply during the life of the SOA.

Standing Offer Arrangements – refers to Queensland Government and other approved forms of Standing Offer Arrangements.

Superintendent – a person appointed by JCU to manage the interaction between the contractor and JCU and who has specific roles as determined by the Contract. The Superintendent independently performs all valuations, assessments and certifications required by the Contract reasonably and in good faith.

Superintendent’s Representative – a person appointed by the Superintendent to exercise the functions delegated by the Superintendent.

Supplier – the Supplier of goods or service to JCU, includes a Contractor or Consultant.

Sustainable Procurement - the process whereby organisations meet their immediate needs for goods and services in a way that achieves value for money on a whole-of-life basis and considers society, economy and the environment.

University or JCU - Refers to James Cook University ABN 46 253 211 955 a body corporate constituted under the *James Cook University Act 1997 (Qld)* and where the context permits, includes persons and companies to whom this procedure applies.

University Procurement Hub (UPH) – is an innovative way of delivering core procurement services by aggregating purchasing power across participating universities.

Value for Money – extends to considerations such as whole-of-life and opportunity costs, as well as non-cost factors such as fitness for purpose, quality, service and support, reliability and sustainability considerations. Value for money involves the concept of maximising the available benefits from every dollar spent. Value for money has several dimensions which require that:

- objectives are carefully considered and prioritised on a cost benefit basis
- competing objectives are assessed and prioritised so that only those with high benefits are funded
- the most cost effective options are selected to achieve objectives
- explicit evaluation is made as to whether the government or other potential providers are best placed to provide the services
- all activities, both recurrent and capital are subjected to the same rigorous analysis
- implementation is closely monitored to ensure adherence to budgets
- programs, activities and projects are continuously reviewed and evaluated to ensure outcomes are consistent with stated objectives, and benefits are realised.

Weighted Decision Matrix – a tool that can be used to identify the best value for money proposal taking into account both qualitative and financial criteria.

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Section A: Procedure

JCU has an obligation to ensure documentation and processes demonstrate accountability, and can be used to assure compliance with the Queensland Procurement Policy 2017. The flowchart below outlines the procurement cycle and how purchasing activities are to be conducted at JCU. If in doubt, call the Strategic Procure to Pay unit on 4781 4583 or e-mail procurement@jcu.edu.au.



"I want to make a purchase"



Before you buy, take the time to plan your purchase:

- What is the estimated total cost of the purchase?
- When do you require delivery?
- Who are the known suppliers?
- Consider whole of JCU requirements - are there any other users of the product or service?

Refer to:

- FMPM 710 Procurement Policy
- FMPM 711 Procurement Procedure
- FMPM 712 Engaging Individuals as Service Providers Procedure

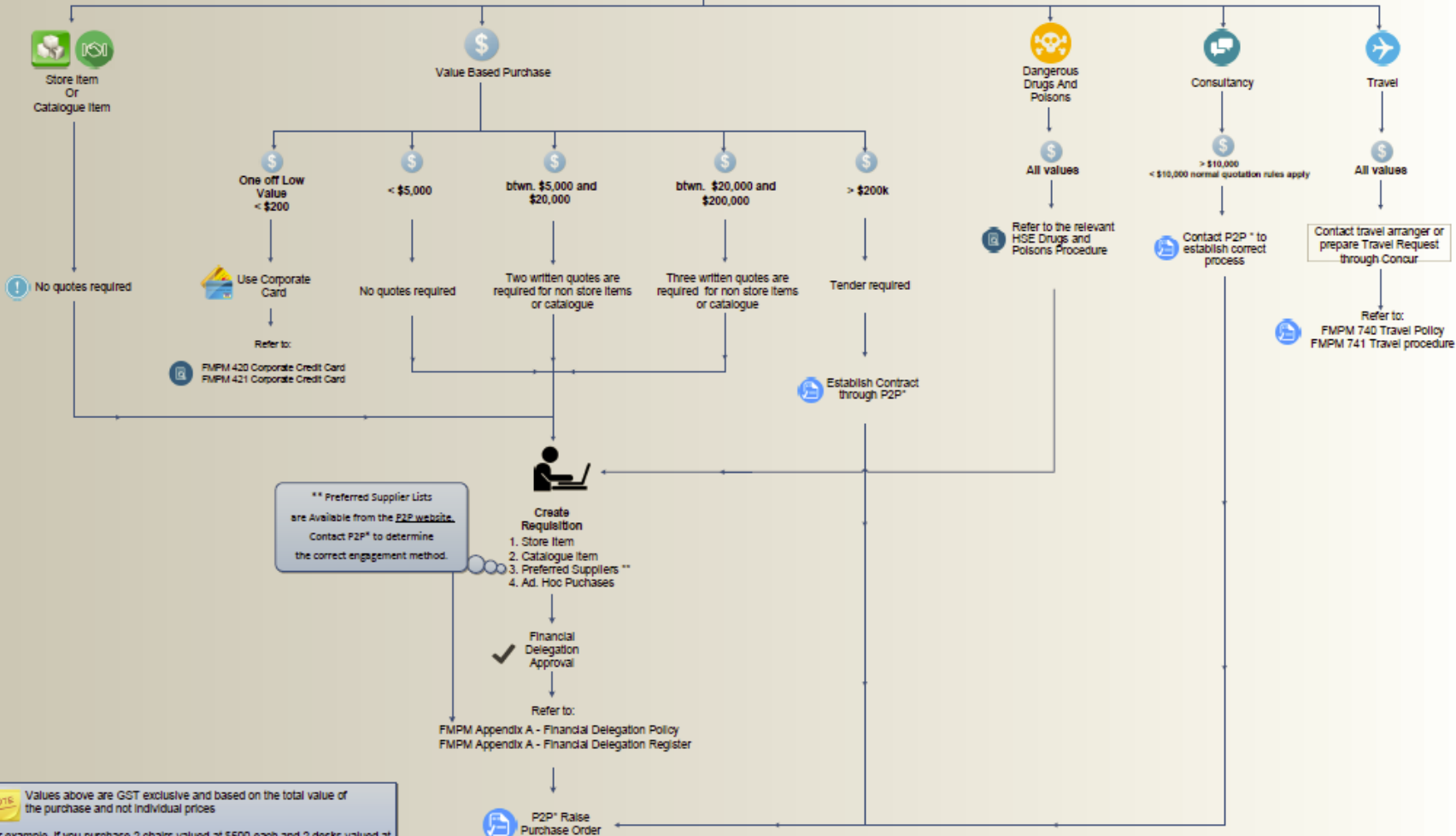
General Enquiry: Procurement@jcu.edu.au



Tender Support: Richie Woods 4781 6401

Procurement Help: Roxane McBryde 4781 4583 (Townsville)

Eva King 4232 1133 (Cairns)



NOTE Values above are GST exclusive and based on the total value of the purchase and not individual prices

For example, if you purchase 2 chairs valued at \$500 each and 2 desks valued at \$2,400 each, the total value of the purchase is \$5,800, therefore, 2 written quotes are required.

1. Procurement Planning

Procurement planning is required with every purchase. The extent of planning should be commensurate with the value and risk associated with the activity undertaken. The level of planning involved is relative to the risk and value of the procurement and the type of goods or services being considered.

1.1 The objectives of the planning phase of the procurement cycle are to:

- ensure the goods or services under consideration for purchase meet JCU's needs;
- ensure both the legislative requirements and JCU policies and procedures are followed and a value for money outcome is achieved; and
- manage the risks associated with the procurement.

Commensurate with the value and risk, all intending purchasers are responsible for identifying and planning their procurement processes. Planning may involve taking into account the following considerations as applicable to each purchase:

- Consideration be given to other forms of procurement other than purchasing including leasing or borrowing equipment or resources. The preferred option is the most cost effective and sustainable option;
- identifying and preparing the evaluation criteria, and criteria quantitative weightings in the case of an evaluation panel being required;
- identifying whether or not the procurement requires advisors such as legal, probity or technical and developing a strategy for engaging their assistance;
- researching supplier and product options;
- researching social and sustainable procurement options that may be required, e.g. environmentally friendly suppliers and products;
- determining the intended lifespan of the acquisition/service and preparing a whole-of-life costing of the acquisition for the intended term of ownership;
- determining if insurance considerations are required and contacting the JCU Insurance personnel for advice if required;
- determining the budget and ensuring that funds are available (i.e. ensure that funding grants are fully signed etc.);
- determining the best procurement method according to category and threshold of spend;
- preparing a specification for the required goods/service and determining specific conditions that are required to be met by the Supplier;
- preparing an indicative timetable to set realistic timeframes and goals;
- identifying potential risks associated throughout the procurement process including work health and safety (WH&S), social, environmental or economic impacts that may cause delays in delivery; and
- seeking approvals from all relevant and accountable Financial Delegates.

1.2 The planning phase must ensure that sufficient knowledge, expertise, time and market engagement is applied to ensure both the legislative requirements and JCU policies and procedures are followed throughout the procurement.

Where contractual or probity arrangements are necessitated, the purchaser must involve the P2P unit at the beginning of the procurement stage in order to ensure procurement risks are managed and to reduce the risk of delays through rework or remediation of procedure non-compliance.

1.3 JCU uses the following procurement plans:

- Significant Procurement Plans, for purchases >\$200k and/or where there is high risk; and
- JCU Corporate Procurement Plan, for managing the University's strategic procurement planning objectives and strategies.

1.4 Align the proposed purchases with the University's strategic objectives.

Procurement plans should be seen as a 'business case' from a strategic procurement perspective for obtaining approval to approach the market. All purchasers are to consult with the P2P unit prior to preparing their procurement plans.

1.5 Significant Procurement Plans

Significant Procurement Plans must be prepared when procuring all goods and services that have been identified as being high expenditure and/or for which there is a high degree of business risk.

Working groups should be formed as a Procurement Planning team in appropriate cases, involving JCU stakeholders.

A Significant Procurement Plan should include, but is not limited to:

- the involvement of specialist advice or assistance where necessary;
- the incorporation of mandated probity processes and a probity plan;
- analysis and evaluation of internal demand for the procurement;
- analysis and evaluation of Supplier market;
- *Competition and Consumer Act 2010* (Cth) considerations;
- establishing objectives to be achieved from the procurement and specifying how the procurement supports JCU's objectives;
- developing and evaluating potential buying strategies and identifying the preferred strategy to follow;
- specifying measures for the evaluation of the implementation of the supply strategy; and
- developing a contract implementation plan.

Significant Procurement Plans, irrespective of value or risk, are to be reviewed by the Manager, Strategic Procure to Pay and approved by the Financial Delegate prior to any engagement with Suppliers or the commencement of an offer process.

When preparing the procurement plan you must include meaningful evaluation criteria. Evaluation criteria will influence the content of the offer response schedules and offerers will be requested to provide responses to specific criteria.

Note: The Significant Procurement Plan must be fully signed by the evaluation team, Manager Strategic Procure to Pay and Head of the relevant ORGU ***prior to inviting offers.***

1.6 JCU Corporate Procurement Plan

JCU is required to prepare a Corporate Procurement Plan which links JCU's procurement to its Strategic Plan and covers the same period as JCU's Strategic Plan. This plan is prepared by the Manager, Strategic Procure to Pay and must be approved by the Deputy Vice Chancellor, Services and Resources. It will be reviewed annually.

The Corporate Procurement Plan provides a directional statement for better procurement operations within the University. The P2P unit is required to assess whether the requirements described by this procedure have been met for high risk or high value purchases. This is to ensure alignment with the University's Corporate Procurement Plan.

2. Supplier Evaluation and Quotation Requirements

Summary of quotation requirements noting all are GST exclusive:

2.1. Purchases from Preferred Suppliers

2.2. Purchases less than \$5,000

2.3. Purchases between \$5,000 and \$20,000

2.4. Purchases between \$20,000 and \$200,000

2.5. Purchases of more than \$200,000

2.6. Purchases of Drugs or Poisons

Quotations can be sourced from a Supplier via Requests for Quotation.

- 2.1 Purchases from Preferred Suppliers; JCU's P2P unit has negotiated agreements with a number of preferred Suppliers. Items purchased under a JCU Contract or approved Standing Offer Arrangement (SOA) do not require formal quotes to be sought from other Suppliers. Purchasers can confirm the requirements related to specific purchases by contacting the P2P unit (refer to section 3).
- 2.2 Purchases of less than \$5,000 (GST exclusive) do not require formal written quotes, however a written or verbal confirmation of the full costs of supply must be obtained from the supplier selected. It is recommended that evidence of the confirmation is attached to the purchase requisition.
- 2.3 Purchases between \$5,000 and less than \$20,000 (GST exclusive) require a minimum of two (2) written quotes to be attached to the Purchase Requisition.
- 2.4 Purchases between \$20,000 and up to \$200,000 (GST exclusive) require a minimum of three (3) written quotes to be attached to the Purchase Requisition.
- 2.5 Purchases over \$200,000 (GST exclusive) will be the subject of a Request for Tender (RFT) or Request for Proposal (RFP) (refer to section 4) coordinated through the P2P unit unless:
 - the purchase is under an existing JCU contract or approved SOA;
 - the Supplier has been pre-qualified in a process authorized by the P2P;
 - the Manager, Strategic Procure to Pay certifies that a genuine emergency exists; or
 - a decision has been taken to procure second-hand goods or equipment and has been approved by the Manager, Strategic Procure to Pay.

Purchasers involved in projects valued at \$2.5 million or more, or that are of regional or strategic significance, must comply with the [Charter for Local Content](#).

- 2.6 Purchase of Scheduled Drugs and Poisons must follow the same quotation and evaluation procedures as noted above according to the value of the purchase. In addition to procurement procedures, additional approval and delegation requirements apply to ensure the University adheres to national and state regulation and classification guidelines. See section C1 for further information.
- 2.7 Purchase of gift cards etc for staff/student awards and prizes or gifts to external parties are subject to approval under Section 1.07 of the Financial Delegations Register. Where the value of the award to an individual staff member is greater than \$300 it will be subject to Fringe Benefits Tax and the award must be notified to corporatefinance@jcu.edu.au.
- 2.8 When requesting a quotation, the Purchaser should include the following information for potential Suppliers:

- a description of the goods or services sought;
- contact details for the requesting staff member;
- delivery time or other requirements; and
- point of delivery or performance, as applicable.

The same principles of equity and fairness that apply to an offer process also apply to the quotation process.

A copy of all received quotes is to be attached to the purchase requisition. Where the lowest priced offer is not accepted, a justification for the selection is also required to be attached.

- 2.9 Written quotations must be obtained for purchases over \$5,000 and up to \$200,000 (GST exclusive). When obtaining and recommending written quotations, the purchaser should ensure that:
- all prices have been obtained from a fair selection of potential Suppliers on the same basis and no particular Supplier has been given an unfair advantage;
 - all prices display both the GST inclusive and GST exclusive amount;
 - all Suppliers receive the request at about the same time;
 - all Suppliers are given the same time to respond;
 - the same specification or description of the goods or services has been provided to all potential Suppliers; and
 - the requirements have been defined in such a way as to not limit the ability of a Supplier to provide a quotation.
- 2.10 Where a formal request for quotation process is undertaken for offers over \$5,000 and up to \$200,000 (GST exclusive) an evaluation process is required to be undertaken, this includes:
- an evaluation summary must be attached to all purchase requisitions for purchases above \$5,000;
 - upon sending out Request for Quotations, the purchaser should also be identifying and preparing for the evaluation process;
 - the evaluation process should provide a fair comparison between the responses using the principle of best value for money; and
 - depending on the purchase, there are different methods of evaluation including:
 - an informal 'memorandum' style summary to explain the method and reasoning behind the final selection;
 - standard JCU evaluation form; or
 - a formal (weighted) evaluation.

3. Engaging Individuals as Service Providers

JCU frequently engages third party individuals to carry out a range of services across the University.

There are legislative requirements that must be considered before engaging an individual third party to carry out services for JCU to ensure that JCU is compliant with all its obligations to the State and Federal Government as well as to the Service Providers. Wrongly classifying an individual Service Provider as an Independent Contractor where that person is really an Employee, is a legislative breach and may result in JCU paying significant fines and penalties.

The law determines whether a Service Provider is an Independent Contractor or an Employee, FMPM 712 Engaging Individuals as Service Provides Procedure should be read and complied with prior to engaging with these individuals.

4. Preferred Supplier Arrangements

Suppliers may be identified as Preferred Suppliers. Where Preferred Suppliers are selected from a competitive process a Standing Order Arrangement will be implemented. Where purchases are made under a SOA quotations will not be required or in the event of a panel will only be required to be sourced from panel members. Contact the P2P unit on 4781 4583 or e-mail procurement@jcu.edu.au for further information on accessing or establishing preferred supplier arrangements.

- 4.1 It is the responsibility of the Manager, Strategic Procure to Pay to ensure SOAs are established:
- where the requirement is identified in the Corporate Procurement Plan;
 - to ensure efficient and effective procurement practices are followed; and
 - to ensure local Suppliers are given a fair and reasonable opportunity to provide goods and/or services to JCU.
- 4.2 The establishment of an SOA should follow the following process:
- clearly document the goods/services proposed;
 - document the expected 'spend' during the full term of the agreement;
 - identify the key selection criteria and performance indicators;
 - prepare a procurement plan to document the strategy to be followed to identify the preferred Supplier/s including:
 - consideration of the supply market;
 - posting of advertisement/invitations to offer;
 - details of the evaluation team; and
 - opening of offers and the selection process.
 - prepare standard University agreement documents;
 - evaluation team to independently review responses;
 - conduct further analysis, including referee checks as required;
 - select the preferred Supplier;
 - execute SOA agreement; and
 - manage and review the arrangement.
- 4.3 A register of Standing Order Arrangements (SOA) will be maintained by the P2P unit and published on the Procurement website.
- 4.4 Purchases under an SOA are to be made via a JCU Purchase Order.
- 4.5 All SOAs are reviewed periodically to ensure that they are meeting customer requirements and delivering value for money.
- 4.6 An SOA sets out the terms and conditions of any contract that may be entered into and include the following types of SOA's:

- Single contracted Supplier;
- Preferred Supplier panels; and
- Pre-qualified Suppliers.

4.6.1 Single Contracted Supplier

JCU has established a Contract with one Supplier to provide a specific type of good or service. Purchasers can order these goods or services at agreed rates, without the need to obtain further quotes.

4.6.2 Preferred Supplier Panels

- Preferred Supplier panels generally consist of a number of specialist Suppliers in a field or industry who have been assessed through an open offer process. These panels are reviewed periodically to ensure they are meeting customer requirements and delivering value for money.
- Predominantly, a panel is sought where there is a large number of Suppliers in a particular market and where JCU is seeking to maintain a shortlist of Suppliers that have met the core quality, sustainability, value for money, fitness for purpose, capability, and experience criteria.
- Preferred Supplier Panels are similar to Single Contracted Supplier agreements. However a Supplier panel represents a selection of Suppliers from which Purchasers can order scheduled goods or services at agreed rates, usually based on price and availability.

3.6.3 Pre-Qualified Suppliers

- Pre-qualified Suppliers generally consist of a number of specialist Suppliers in a field or industry who have been pre-qualified through an open EOI process. These panels are reviewed periodically to ensure they are meeting customer requirements.
- A pre-qualified Supplier panel allows purchasers to select Suppliers to respond to a closed offer/quote process rather than simply engaging them to provide goods or services.

4.7 Purchasers who regularly purchase specific or specialised goods/services are required to contact the P2P unit to determine whether establishing an SOA will provide savings by:

- Consolidating expenditure with fewer Suppliers to take advantage of JCU's purchasing power and achieve savings based on volume of purchases;

- Streamlining the purchasing process and saving the administration costs involved in obtaining and comparing quotes for each individual purchase; and
- Establishing relationships with Suppliers to provide timely provision of goods or services.

4.8 As JCU is a Queensland Government Statutory Body and a member of the Australian Universities Procurement Network (AUPN) and the UPH, it is entitled to utilise current Supplier arrangements established by these entities. Standing Offer Arrangements may be utilised subject to the approval of the Manager, Strategic Procure to Pay. Use of single supplier arrangements arranged under Queensland State Government, AUPN and UPH are NOT considered a departure from Quote and Tendering Procedures and therefore approvals in Section C Schedule 5 do not apply in those circumstances. Where a panel arrangement is in place obtaining quotes may still be required.

Where these Standing Offer Arrangements and Standing Order Arrangements are mandated for use by JCU staff, these arrangements will be published on the P2P website.

5. Inviting Offers

Inviting offers is the process where JCU informs suppliers of its procurement requirements by 'inviting' suppliers to advise whether they are able to meet those requirements. Once JCU has received responses from suppliers that have been invited to offer, the successful offeror can then be determined. There are many expressions used both within Government and the private sector which relate to the process of inviting offers. Some of these include:

- Request for a quote;
- Request for Information (RFI) or Expression of Interest (EOI) – generally used to request information from suppliers in order to shortlist potential suppliers before seeking offers. Usually the information sought is high-level and specific;
- Request for Offer (RFO) or 'Invitation to Offer' – usually used to obtain bids for clearly defined and specific requirements
- Request for a Proposal – usually seeks a solution to a problem or process
- Request for Tender - this is similar to an RFO. The construction industry often uses this term.

There are also different terms for the word offer. These include tender, quote/quotation and bid. Whatever the term used, the process of 'inviting offers' is an important step in the procurement of goods and services and must be performed in accordance with the principles of the Queensland Procurement Policy.

6. Evaluation, Negotiation and Award

Evaluating offers is a complex activity requiring consideration of legal, safety and ethical implications as well as pricing.

6.1 Offers must be evaluated by a minimum of two (2) JCU employees plus any subject matter experts required to ensure a fit for purpose outcome. Persons performing evaluations should ensure that they are fully conversant with all applicable legislative policy, standard documents and relevant JCU reference documents.

- 6.2 All members of an Evaluation Team must notify the Probity Advisor or Manager of the Procurement process of any Conflicts of Interests and consideration will need to be given by the Probity Advisor or the Manager of the Procurement process as to how best to manage the Conflict of Interests – which may include removing the conflicted person from the procurement process..
- 6.3 Members of the Evaluation Team are prohibited from discussing any confidential information with persons outside the Evaluation Team or in public places and environments where such discussions may be overheard. However, in the event a Probity Advisor is involved in the offer process disclosure of confidential information to that person is permitted.
- 6.4 An initial assessment of offer submissions must be carried out by the evaluation team to ensure conformance. The following are key considerations that apply to offer conformance:
- all mandatory offer documentation has been completed and returned;
 - calculations are correct;
 - figures in words match numerical amounts;
 - all issued notice to offerer-addenda have been included in offer documentation;
 - all Departures are noticed in the relevant section of the offerpack.
- 6.5 A non-conforming offer should not necessarily be immediately excluded from consideration and must be referred to the Manager, Strategic Procure to Pay to ensure appropriate risk mitigation strategies are applied. For matters concerning the technical and operational non- conformance of an offer, the Contract Owner may refer the matter to their Supervisor for advice and determination.
- 6.6 All offers must be evaluated in a consistent manner against the evaluation criteria stated in the RFQ, RFT or RFP and Procurement Plan with the use of a weighted matrix analysis. Note, the evaluation criteria and weightings cannot be changed after the offer is released.
- 6.7 Offers offering an alternative solution that meets the performance and functional requirements should be considered on their merits subject to a fully conforming offer also having been offered.
- 6.8 Where shortlisted offerers are required to present to the evaluation team, this must be reflected in the Procurement Plan. Presentations by short-listed offerers should be undertaken consistently and fairly.
- 6.9 Offer presentations that form part of the evaluation process must be evaluated against the specific criteria and weightings stated in the Procurement Plan. Prior to the presentations the evaluation panel must prepare questions to ask the offerers which reflect specific evaluation criteria in a manner that allows offerers performance in the presentations to be scored.
- 6.10 Offerers must be asked substantially the same questions for the purpose of evaluation, however other questions may be asked for the purpose of clarifying an offer. JCU staff or other parties who are not part of the evaluation panel may be invited to attend presentations and provide feedback to panel members (stakeholders and subject matter experts). It is the role of the panel members to determine scoring, unless the stakeholders and subject matter experts have been identified as being part of the evaluation process in the procurement plan.

- 6.11 The decision to negotiate with shortlisted offerers will be made by the evaluation team in consultation with the Probity Advisor, if any. A Best and Final negotiation process should be undertaken to differentiate offers to achieve the best possible outcome for JCU.
- 6.12 Successful negotiations should result in a cost-effective agreement that is fair, durable, meets the legitimate needs of both parties and improves the relationship between parties.
- 6.13 During negotiations with offerers all contractual risks that have been identified previously must be considered. The primary objectives of negotiation should be to:
- test the understanding and assumption made by the offerers in determining their costs
 - take the opportunity to clarify and rectify any false assumptions by either party;
 - achieve operational refinements/enhancements that may in turn result in cost reductions rather than focusing on achieving cost reductions as a bottom line;
 - put into place performance indicators to monitor ongoing contractual performance; and
 - to ensure all parties are aware of their obligations in regards to safety by involving a designated safety subject matter expert to assist with negotiations with respect to issues related to safety.
- 6.14 Where possible, negotiations should take place in person. Negotiations must not alter the scope or intent of the offer or be conducted in such a way that has the potential to make the offer process void.
- Note: Any change of scope must be referred to the Manager, Strategic Procure to Pay who will consult with the Director, Financial and Business Services for determination before the negotiation process continues.**
- 6.15 At the end of successful negotiations, all parties should have the same expectations as to their respective obligations and how the contract will subsequently operate.
- 6.16 An evaluation report is to be prepared on the evaluation of offers received. This will form part of the recommendation and approval process and should include:
- details of the procurement process;
 - a list of all offers received and respective offer prices;
 - details of any late offers;
 - any issues identified in relation to WH&S, environment and risk management;
 - offers excluded from consideration and reason for the exclusion;
 - where an offer fails to comply with offer documents, state where there is failure to comply;
 - a spreadsheet showing a comparison of the scoring for each of the evaluation criteria;
 - a report on negotiations with offerers (if any) post offer lodgement; and
 - basis for the final recommendation.
- 6.17 Any decision to repeat the offer process should be made only in compelling and unavoidable circumstances. In particular, recalling offers to obtain a better price should be avoided. Any decision to recall offers needs to consider value for money and project budget.
- 6.18 On completion of the evaluation and best and final process (if any), it is necessary to

document the selection using a formal written recommendation report to be submitted to the relevant Financial Delegate for approval.

- 6.19 Approval of supplier selection: All Financial Delegates approving the contract to be awarded must be provided with sufficient information to understand the evaluation process and the
- 6.20 reasoning behind the decision, which will enable an informed judgment on the offer process and validity of the selection of the preferred offerer.
- 6.21 On completion of the evaluation, a member of the P2P unit will prepare or assist the Contract Owner the recommendation for awarding a contract which should include:
- recommendation summary;
 - background;
 - evaluation summary report;
 - any issues;
 - options (if any);
 - financial impact;
 - legal implications;
 - safety report on issues, risks, hazards and mitigation strategies;
 - environmental implications;
 - staff implications; and
 - external approvals required.
- 6.22 The P2P unit is responsible for arranging the award of the contract, the preparation or review of the contract documentation and advice to unsuccessful offerers after review by the Legal and Assurance Office. Contract acceptance may take the form of a letter of acceptance or a formal contract document.
- 6.23 Post-offer briefings will be conducted only at the request of an offerer. The debrief should not be used to justify decisions or as a forum to debate the evaluation process. This must be clearly communicated to the offerer prior to the debriefing session. A well-conducted and well-documented session run by the Evaluation Team lead and the P2P unit will reduce the likelihood of complaints being lodged. An effective debriefing session should ensure that:
- areas of improvement by the unsuccessful offerer and areas of non-compliance are identified;
 - feedback is given in terms of the unsuccessful offerers capacity to meet specified requirements; and
 - there is no breach of confidentiality in respect to other offerers.
- 6.24 If formal complaints (complaints in writing) associated with the outcome of an offer or quotation process are received they should be referred to the Deputy Vice Chancellor, Services and Resources for facilitation and resolution. The Manager, Strategic Procure to Pay will keep a record of procurement complaints and all related processes and documentation.

7. Purchase Requisitions, Approvals and Purchase Orders

The *Financial & Performance Management Standard 2009 (Qld)* requires JCU to establish a governance and financial framework for expense management.

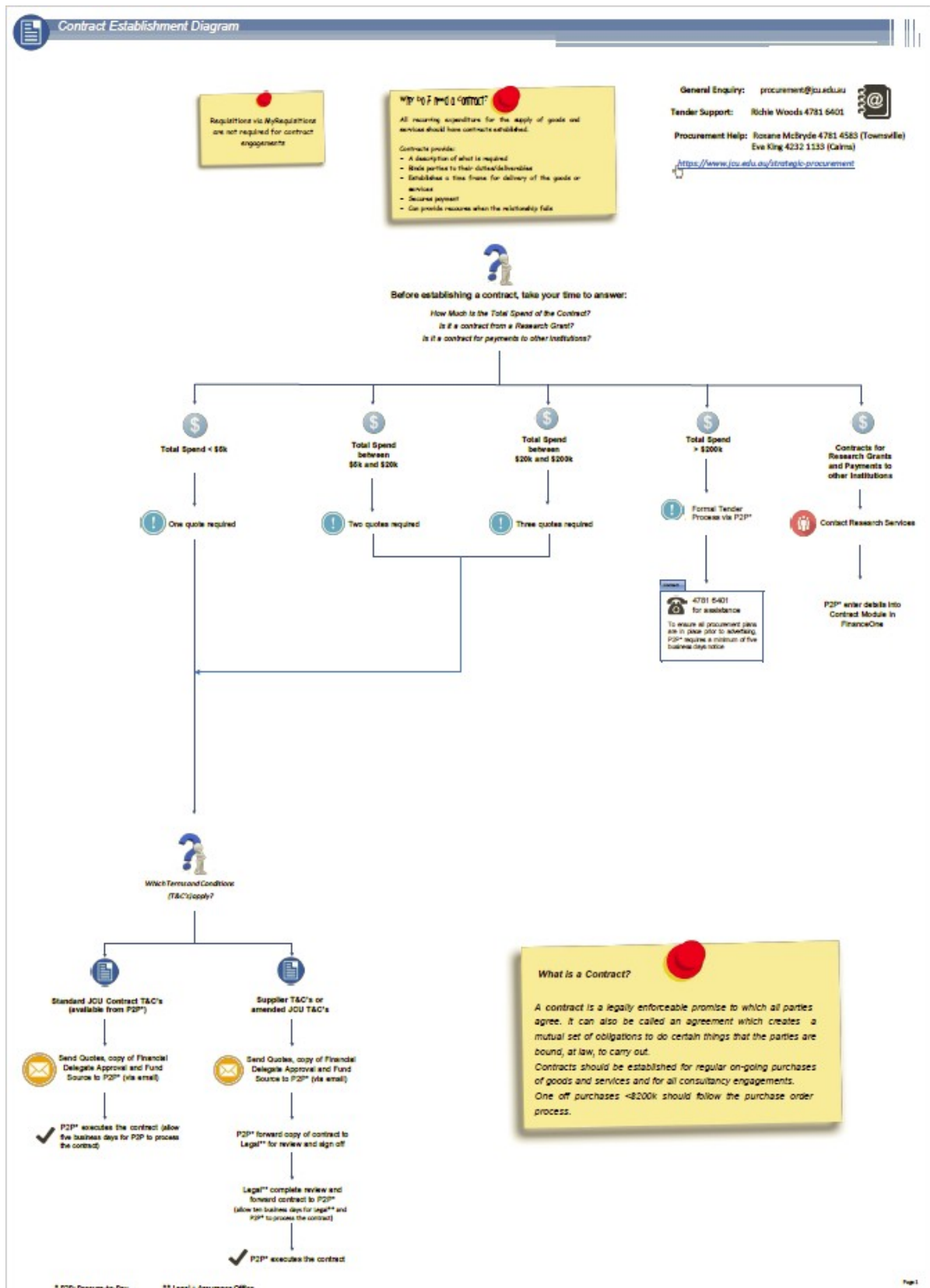
- 7.1 The FMPM Appendix A - Financial Delegations Policy prescribes the framework and management of the financial delegations and delegation of authority to JCU staff members from the JCU Council. The policy is supported by the Financial Delegations Register which details the delegations, the respective limits and positions authorised to act in a financial capacity on behalf of JCU.
- 7.2 A purchase requisition is an internal JCU 'request to purchase'.
- 7.3 A University staff member or student with access to MyRequisitions may raise a purchase requisition. When raising a purchase requisition any quotes and supporting documentation, including contracts, must be attached to the requisition. Appropriate procurement planning should be undertaken. The type of purchase requisition required is determined by the value and the type of goods/services being requested. The P2P website contains guidance on how to raise purchase requisitions.
- 7.4 All Purchase Requisitions are to be approved by a Financial Delegate in MyRequisitions. Financial Delegates confirm the need for the purchase, that it is for University purposes and that funds are available to make the purchase.
- 7.5 Once a requisition or contract is approved by an authorised delegate, a purchase order will be raised and sent to the Supplier.
- 7.6 Purchase orders:
- are an official JCU document used to authorise and record the purchase of goods or services by JCU;
 - are the major document confirming the contract between JCU and its Supplier, i.e. the formal authority for a Supplier to provide goods or services to JCU;
 - provide a documented means of advising a Supplier of the specific goods or services JCU requires; the price; delivery date and location; the person who ordered the goods; and the terms and conditions associated with the purchase;
 - provide assurance the Supplier will be paid for the goods or services they provide;
 - allow for commitment costing and so assist JCU staff to manage budgets; and
 - expedite the payment process.
- Note: An official JCU purchase order must be in place prior to any commitment being made to a Supplier. Where purchases orders are sent to Suppliers the complete document including all Terms and Conditions must be provided.**
- 7.7 P2P Purchasing Officers:
- ensure that the Purchase Requisition has been duly authorised by a Financial Delegate;
 - ensure that all relevant purchasing policies and procedures have been complied with (including the need for quotes);
 - conduct a check on the information contained on the Purchase Requisition to ensure accuracy of information, account and use codes and like matters;
 - review the procurement process; and
 - raise a Purchase Order and place the order with the Supplier.

Purchasing Officers may recommend raising Blanket Orders to negate the need to raise new purchase orders each time a new supply is required from the same Supplier.

- 7.8 It is the responsibility of the P2P unit to monitor all outstanding purchase orders on a monthly basis and follow up with relevant JCU staff as required.
- 7.9 Certain costs are incurred without requiring purchase requisitions or purchase orders. Examples include building utility costs (rates and electricity), renewals of memberships and subscriptions and non-local travel reimbursements. Payments made to contractors and suppliers via the Mex Work Order system are also exempt from the requirement to raise a requisition and purchase order. The Mex Work Order must be approved by a Financial Delegate prior to any work being undertaken. Contact procurement@jcu.edu.au for a full list of excluded items. In these cases, the invoice must be signed by a Financial Delegate with an account code (also referred to as an OPFU) nominated. The invoice must then be forwarded to Accounts Payable (accounts.payable@jcu.edu.au) for payment.
- 7.10 Staff issued with a JCU Corporate Credit Card may only use the card for the purposes and within the limits notified to the card holder and in accordance with FMPM 421 – Corporate Credit Cards.

8. Contract Arrangements

The flowchart below outlines the contract cycle and how purchasing activities are to be conducted at JCU. If in doubt call the P2P unit on 4781 4583 or e-mail procurement@jcu.edu.au.



- 8.1 The P2P, in consultation with JCU's Legal Office, is responsible for:
- providing templates for procurement contracts & consultancy agreements; including service agreements, contractor contracts and letters of acceptance;
 - offers & procurement advice;
 - probity and conflict of interest advice; and
 - advice on transactions with Suppliers and customers.
- 8.2 For a contract to be formed, all parties must have legal capacity to enter into a contract and there must be:
- an intention to enter into legal relations;
 - offer and acceptance; and
 - valuable consideration passing between the parties (not a requirement in the case of a deed).
- Note: A Consultancy agreement must be established by the P2P unit for all Consultancy engagements known or reasonably expected to be greater than \$10,000 (GST Exc).**
- 8.3 Where a party trades under a business name or the like, the Contract must be entered into with the party using its full legal name and ABN/ACN (where applicable).
- 8.4 The authority to sign on behalf of the University is regulated by the FMPM Appendix A - Financial Delegations Policy and supporting Financial Delegations Register which sets out the various classes of contracts, who is authorized to sign within the various financial limits set out in the Financial Delegations Register.
- 8.5 In the case of all contracts to the value of \$50,000 (Exc GST) or more they are to be reviewed by the JCU Legal Office (unless otherwise directed by the University General Counsel).
- 8.6 All JCU Contracts should have a Contract Manager with the Procurement Category Specialists available to assist contract managers to ensure the correct processes and procedures are followed when managing contractors. Contract items that need to be managed include:
- negotiating contract issues as they arise;
 - managing the day to day operation of the contract;
 - ensuring the goods or services are delivered in accordance with the contract terms;
 - maintaining records of critical dates and auctioning as required;
 - negotiating price reviews; and
 - performance monitoring and management.
- 8.7 JCU is required by the Queensland Procurement Policy 2017 to publish details of all awarded contracts with a value of greater than \$10,000 and additional contract details for awarded contracts valued at greater than \$10m. It is important that Contract Managers raise the purchase requisition as soon as possible to ensure JCU can comply with this requirement.

- 8.8 JCU utilises the FinanceOne contract module to manage all procurement related contract details. It is the responsibility of all Contract Owners to ensure that details of all awarded contracts are sent to the P2P unit for uploading into FinanceOne.
- 8.9 A distinction between an employee and an independent contractor is required for the University to fulfil its obligations with regards to legal liability, taxation, superannuation and workplace health and safety. When it is desired to treat a party as an independent contractor, it will assist if they are a separately incorporated entity, as opposed to being an individual sole trader. All contractors must have an Australian Business Number (ABN). Whether a party is an employee or an independent contractor must be assessed having regard to the entire relationship.
- 8.10 Provisions to allow and regulate contract variations should be a standard feature of all contracts.
- 8.11 The ability to vary a contract will be directed or controlled by the Project Manager or Contract Owner subject to advice from the Manager, Strategic Procure to Pay and/or Director, Financial and Business Services and should only occur in circumstances defined in the contract provisions. All variations are to be administered in writing only and at no time should amendments be agreed to, orally, or in any other informal fashion.
- Significant disputes, claims or circumstances which could give rise to a claim should be referred to the Director, Financial and Business Services in the first instance.
- 8.12 Any proposed variations will be assessed by the Contract or Project Manager to ensure that they do not breach University policy or procedures. Variations must be undertaken strictly in accordance with procedures provided in contract documentation.
- 8.13 The reasons for the variation must be clearly documented by the Project Manager. Variations must not be used to mask poor performance or serious underlying problems. The effect on original timeframes, deliverables and value for money should be assessed. In the case of major contractual issues, these need to be reported by the Project Manager to their supervisor and carefully managed.
- Contract managers also need to ensure that the contract variations are not of such a level that they significantly change the contract requirements and/or substantial parts of the original transaction. If the nature of a variation is such as to fundamentally change the character of the contract, there is a danger that an entire new contract may be formed. This affects both the legal relationship and procurement considerations.
- 8.14 Total variations in excess of 25% of the contract value may be an indication the specifications or scope of work are not clearly defined and suggests the need for caution.
- 8.15 Variations can only be approved by a JCU staff member with the appropriate level of Financial Delegation. When a Financial Delegate wishes to approve a contract variation, one of the things they must consider is the total value of the contract in relation to the value of their financial delegation. That is, the value of the original contract plus the value of any previous variation(s), together with the value of the variation under consideration. Where the cumulative value of the contract will exceed the value of their financial delegation, the Financial Delegate must forward the variation to a Financial Delegate with a sufficient financial delegation to approve the new total contract cost, not just the variation amount.
- 8.16 Any request for a variation greater than 25% of the original contract value must be forwarded to the Director Financial and Business Services for endorsement and should include:
- reasons for the need to vary the contract;
 - the goods or service required and the total budgeted value of the variation;
 - any specific contractual considerations that need to be addressed; and
 - the original contract value and the proposed amended value.

Once endorsed, the variation must also be approved by the relevant Financial Delegate.

Key issues to consider in managing contract variations include:

- following the procedures required by the contract;
- assessing the reasons for the proposed variation;
- assessing whether or not the variation indicates an emerging or actual performance problem;
- assessing the impact of the proposed variation on the contract deliverables;
- determining the effect the proposed amendment will have on contract price;
- considering the authority for making the variation;
- properly documenting details of the variation and its impact;
- ensuring details of the variation are entered into the FinanceOne contract register; and
- completing a JCU Purchase Order Amendment/Cancellation Form which has been signed by a Financial Delegate that has authority for the full total of the project (i.e. initial cost as per purchase requisition plus variation/s costs).

In considering a proposed Contract variation the Director Financial and Business Services may consult with the Manager, Strategic Procure to Pay or seek legal advice.

9. Delivery of Goods or Services

- 9.1 Where goods or services received are not of the quality required, are damaged, incomplete or not as originally ordered, it is the responsibility of the purchaser to notify the Supplier and arrange return of the goods or repair/completion of the services. Where an approved invoice has already been sent to Accounts Payable, the purchaser must immediately alert Accounts Payable to the dispute (to halt payment until further notice).
- 9.2 Where staff have access to the goods receipting function in MyRequisitions they must record the receipt against the relevant Purchase Order (PO). Otherwise staff should provide advice to Accounts Payable of the receipt of goods or services via email with the relevant PO reference. Update to the system or notification to Accounts Payable should occur as soon as practical after delivery once an assessment of the quality, completeness and accuracy of goods and services has been performed.
- 9.3 Where a dispute or claim arises in relation to the supply of goods or services the Purchaser must notify the Manager, Strategic Procure to Pay who will (if required) confer with the [University General Counsel](#) .

10. Invoices and Payment Methods

- 10.1 Invoices are to be authorized for payment by the Purchaser by either completing the “goods receipt” function in FinanceOne or by signing “OK to Pay” on the invoice. This confirms that the goods/services have been received and conform to the specified order requirements.
- 10.2 All contract invoices are to be sent to accountspayable@jcu.edu.au. A member of the P2P unit will raise a claim against the relevant contract. This is very similar to the ‘goods receipt’ process for a typical non-contract Purchase Order. Any claims for payment made under the [Building and Construction Industry Payments Act](#) (BCIPA) need to be referred to the relevant Superintendent or Project Manager immediately on receipt.
- 10.3 Payment methods within the University are:
 - Via Accounts Payable; and
 - Use of a University Corporate Credit Card.

- 10.4 University Corporate Credit Cards issued to staff are predominately for incurring travel related expenses only. All University Corporate Credit Card transactions are managed by the University Expense Management System and are subject to internal and external audits and reviews. All expenditure incurred on the University Corporate Credit Card must be acquitted within twenty one (21) days of the transaction being posted onto the cardholder's statement.

Cardholders who are NOT 'Purchasing Delegates' are not permitted to make any non-travel related purchases greater than \$200 with their credit card.

- 10.5 Payment of Supplier invoices is undertaken by the Financial and Business Services Accounts Payable unit.

Pre-requisites to making any invoice payment are:

- a) The Purchase Requisition has been raised, checked and approved by the appropriate Financial Delegate, and a commitment of funds has been allocated within FinanceOne;
- b) a Purchase Order has been raised by P2P; and
- c) the goods/services have been collected/delivered in a satisfactory condition and according to the specifications of the Purchase Order.

Following this;

- a) Suppliers must send their invoices to accountspayable@jcu.edu.au as indicated on the Purchase Order. The Purchase Order number must be quoted on the invoice. Suppliers must also include their Australian Business Number (ABN) on the Tax Invoice or withholding tax will apply.
 - b) Invoices that do not include a Purchase Order reference will be returned to the Supplier with a request for the purchase order number to be added by Accounts Payable without payment being made.
 - c) Foreign currency payments can be raised against Purchase Orders and are treated in the same way as Domestic General Creditors. This process may take an additional six (6) weeks due to the requirements of the country and bank concerned.
 - d) The Supplier invoice is matched to the Purchase Order to confirm the value of the invoice and the authorised expenditure. For operational expediency where small errors or omissions of up to the lesser of \$5,000 or 10% of Purchase Order value have been made causing a discrepancy between the Purchase Order and Invoice, the invoice will be paid without the need to amend the Purchase Order.
 - e) Where there is a discrepancy between the Purchase Order and Invoice(s) that exceed the lesser of \$5,000 or 10% of Purchase Order value invoices must be returned to the Purchaser and a JCU Purchase Order Amendment/Cancellation is to be completed.
- 10.6 If an expense has been incurred personally (i.e. an out of pocket expense) on behalf of the University and requires reimbursement, the reimbursement must be claimed through the Expense Management System.
- 10.7 It is mandatory that all supporting documentation (e.g. tax invoice, receipt, expenditure certification) is scanned and attached to the corporate credit card transaction in the expense

management system, with original documentation being retained in accordance with the [JCU Document Retention Policy](#).

11. Supplier Complaints

- 11.1 Complaints of an operational nature including the level of service supplied, cost of service or quality and timing of goods received from a particular Supplier and goods not received should be referred to the Contract Owner. This will enable concerns to be actioned immediately and directly with the Supplier. It will also enable similar complaints that may have been received from other areas of the University to be compiled and addressed in formal Contract reviews held with the Supplier. The Contract Owner may seek assistance from the Manager, Strategic Procure to Pay if required.

11 Ethics, Probity and Accountability in Procurement

- 11.1 Ethics are the moral principles or values that guide JCU employees in all aspects of their work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust and respect. Ethical behaviour includes avoiding conflicts of interest, and not making improper use of an individual's position.
- 11.2 All JCU employees are required to comply with the [JCU Code of Conduct](#) at all times.
- 11.3 Probity requires that procurement activities are conducted ethically, honestly and with fairness to all participants.
- 11.4 Accountability for outcomes requires that the University and its purchasing staff be able to explain or provide a defensible and documented account for how the procurement decisions have been reached and serve to assist in achieving desired outcomes.
- 11.5 The key principles of probity and accountability in procurement are:
- (a) conducting a fair and impartial process:
 - treating all offerers and conducting the process fairly and equitably, consistent with the rules of natural justice and procedural fairness, including ensuring that all offerers are provided with access to the same information in order to prepare their offers;
 - ensuring any conflicts of interests are disclosed and effectively managed;
 - ensuring that the need to avoid inherent bias in the procurement process is taken into account when making decisions which may impact on the process, including decisions as to how to advertise and market the process and timeframes;
 - ensuring that the process is conducted in accordance with the process terms and conditions provided to offerers; and
 - ensuring offerers do not engage in collusive or anti-competitive conduct when preparing offer responses.
 - (b) ensuring that the process is open and transparent:
 - establishing, promoting and monitoring compliance with all guidelines with respect to probity issues including conflicts of interest, confidentiality and fair dealing; and
 - disclosing to offerers the methodology to be adopted for the evaluation of offers, including all evaluation criteria.

- (c) taking action to minimise potential liability that might otherwise arise out of the conduct of the offer process:
- ensuring effective contract risk management arrangements are in place.
- (d) maintaining a clear audit trail:
- at the commencement of the process, clearly allocating responsibilities to parties engaged in the conduct of the process including chairing reporting and recording obligations;
 - ensuring the process is fully documented; and
 - ensuring all process and probity issues and actions taken to resolve such matters are fully documented.

11.6 JCU's approach to mandated Probity Advisors for procurement processes is designed to ensure compliance with the Queensland Procurement Policy 2017.

11.7 As a component of the mandated Procurement Plan, all high risk or offered expenditures require a Probity Plan which provides for the appointment of a probity adviser.

11.8 The chart below illustrates the process for determining the requirement for Probity Advisors based on dollar thresholds. However, the presence of dollar thresholds does not prevent the engagement of Probity Advisors for expenditures below these thresholds if considered necessary. This would include, for example, where the procurement is assessed as high risk, but is less than the relevant threshold and/or where, the Manager, Strategic Procure to Pay and Director, Financial and Business Services determine after due consideration that this course of action is appropriate.

JCU Procurement Probity Requirements			
Goods, Services ICT and Consultancies			
Value (GST exclusive)	<\$200k (or high risk, irrespective of value)	>\$200k to \$10mill (Tender Process)	>\$10mill (Tender Process)
Responsible Officer	<ul style="list-style-type: none"> Manager of the procurement process or P2P Representative as Procurement Advisor (optional)* 	<ul style="list-style-type: none"> P2P Representative as Probity Advisor (P2P representative may also, by arrangement be a member of the tender evaluation panel) 	<ul style="list-style-type: none"> External independent Probity Advisor and P2P representative as JCU Probity Co-ordinator (P2P representative may also, by arrangement be a member of the tender evaluation panel)

Construction Works			
Value (GST exclusive)	<\$200k (or high risk, irrespective of value)	>\$200k to \$20mill (Tender Process)	>\$20mill (Tender Process)
Responsible Officer	<ul style="list-style-type: none"> Manager of the procurement process or P2P Representative as Procurement Advisor (optional)* 	<ul style="list-style-type: none"> P2P Representative as Probity Advisor or External Probity Advisor (optional)** (P2P representative may also, by arrangement be a member of the tender evaluation panel) 	<ul style="list-style-type: none"> External independent Probity Advisor and P2P representative as JCU Probity Co-ordinator (P2P representative may also, by arrangement be a member of the tender evaluation panel)

* Decision by the Manager of the Process in consultation with the Manager, Strategic Procure to Pay.

** Decision by the Manager, Strategic Procure to Pay in consultation with the Director Financial and Business Services.

- 11.9 The results and opinion of any Probity Advisors report as to whether the probity requirements have been met must be documented in a probity report, which includes any significant issues that have been identified and that impact upon the opinion that the Probity Advisor provides.
- 11.10 In the course of providing probity advice, the probity advisor may become aware of real, perceived or potential breaches of probity. In these cases, the probity advisor is required to report these in a timely and informed manner to the appropriate level of JCU management. This would, however, be incidental to the primary function of probity advice.

Section B: Schedules

1. Procurement of Drugs and Poisons

- 1.1 The purchase of drugs and poisons is controlled through a national classification scheme. Purchasers must seek advice from a Health, Safety and Environment staff member and adhere to the relevant University policies and delegations that apply to the type of drug or poison they wish to purchase.
- 1.2 Controlled drugs and poisons must only be obtained on a purchase order under the specific guidelines of HSE-PRO-004 Drugs and Poisons Procedure-.
- 1.3 **Under NO circumstance are the purchase of the above drugs and poisons to be made using a JCU Corporate Credit Card.**
- 1.4 Reference should be made to the [Queensland Health \(Drugs & Poisons\) Regulation 1996 \(Qld\)](#) and the [Workplace Health & Safety Regulations 2011 \(Cwlth\)](#).

Section C: Additional Information

1. Conflicts of Interest

- 1.1 A conflict of interest refers to a situation where a conflict arises for an individual between two competing interests. These are often, but not exclusively, interests of public duty versus private interests. This refers to a reasonably perceived, potential or actual conflict of interest. Conflicts of interest can involve financial or non-financial interests of the staff member and the interests of a business partner or associate, family member, friend or person in a close personal relationship with the staff member.
- 1.2 Activities that present a conflict of interest and **must** be avoided include:
- (a) where a staff member raises a requisition and/or approves the purchase of goods or services from a business that they or a business partner or associate, family member, friend or person in a close personal relationship with the staff member has a financial interest;
 - (b) where a staff member has a financial/personal interest in an enterprise with which the University does business and could be perceived to be in a position to influence relevant business decisions;
 - (c) situations where the time or creative energy that a staff member devotes to activities additional to their University commitment appears substantial enough to compromise the amount or quality of their University activities;
 - (d) activities for which employees are personally remunerated from an external source/party (e.g. research projects, conferences, teaching programs, remunerative consulting agreements) that involve, or might reasonably be perceived to involve, the University's name, facilities, equipment and staff;
 - (e) holding positions, (e.g. Chief Scientific Officer), in companies sponsoring and conducting research at the University while simultaneously being a staff member;
 - (f) negotiations by a staff member of the terms under which any intellectual property, or other property of the University, is to be sold, licensed or transferred to an external entity in which the staff member has a financial interest;
 - (g) a staff member taking part in the assessment of an offer application where they have, or have had, a close personal or financial relationship with a person or organisation submitting an offer application;
 - (h) a staff member asking a designated selection officer for information relating to the admission of someone with whom the staff member has a close personal relationship.

2. Supplier Complaints

- 2.1 Complaints of an operational nature including the level of service supplied, cost of service or quality and timing of goods received from a particular Supplier and goods not received should be made in writing to the Manager, Strategic Procure to Pay. This will enable

- concerns to be actioned immediately and directly with the Supplier. It will also enable any similar complaints that may have been received from other areas in the University to be compiled and addressed in formal quarterly contract reviews held with the Supplier.
- 2.2 Complaints regarding the University's procurement practices including how the University selects preferred Suppliers and contract terms with Suppliers should be submitted in writing to the Director, Financial and Business Services. All complaints will be investigated and the complainant will be provided with a response.
 - 2.3 Complainants should be made aware that unless there has been a breach of the contract between the University and the successfully contracted party, the contract cannot be overturned, as it is a legally binding contract.
 - 2.4 The P2P unit will ensure that their dealings with complainants are clearly documented. This includes maintaining signed and dated file notes of telephone conversations.

3. Breaches of the Procurement Procedure

- 3.1 All suspected breaches of University policy and procedures in relation to procurement should, in the first instance, be reported to the Manager, Strategic Procure to Pay. The Manager, Strategic Procure to Pay will immediately notify the Director, Financial and Business Services in the first instance. For suspected breaches of a serious nature, the matter will be referred to the University General Counsel. All reports received will be treated with appropriate concern for the law, privacy and confidentiality. Should staff identify or suspect breaches by a Strategic Procure to Pay staff member the matter should be reported directly to the Chief of Staff.
- 3.2 Breaches of the University policy and procedures in relation to procurement will be dealt with in accordance with either the Enterprise Agreement or Student Code of Conduct as applicable.
- 3.3 Conduct which may constitute 'official misconduct' under the [Crime and Corruption Act 2001 \(Qld\)](#), must be reported to the University Secretary.
- 3.4 Matters that are contravention of the Competition and Consumer Act (Cwlth) 2010, constitute conflicts of interest or are otherwise considered serious matters will be immediately referred to the Director of HR.
- 3.5 For all other non compliance matters

The Manager Strategic Procure to Pay will provide a non-compliance summary report at the end of each quarter to each Head of Organisational Unit.

In the first instance of reported non-compliance the Head of Organisational Unit is required to:

- Raise the non-compliance matter/s with the employee/s concerned;
 - Require the employee/s to undertake procurement compliance training; and
 - Require the employee to put in place effective measures to ensure compliance in future.
- 3.6 In the second instance of identified non-compliance their access to FinanceOne and/or Corporate Credit Card or other privileges appropriate for the circumstances will be removed for a minimum period of 3 months.
 - 3.7 Any further non-compliance will be referred to the Director, Human Resources for consideration and action under the misconduct/serious misconduct provisions of the JCU Enterprise Agreement (as amended or replaced from time to time).

References:

- [JCU Code of Conduct](#)
- [JCU Enterprise Agreement](#)

4. Procurement Process Complaints

- 4.1 Complaints regarding JCU's procurement practices including how the University selects Preferred Suppliers and Contract terms with Suppliers should be submitted in writing to the Director, Financial and Business Services. All complaints will be investigated and the complainant will be provided with a response.
- 4.2 Complainants should be made aware that unless there has been a breach of the Contract between JCU and the successful respondent, a Contract cannot be overturned as it is legally binding.
- 4.3 The Director, Financial and Business Services will ensure that their dealings with complainants are clearly documented. This includes maintaining signed and dated file notes.

5. Departure from the Quote and Tender Process

Departure from the Quote and Tender Process can be approved in circumstances such as emergencies, uncontrollable third party related demands and any other external influence that does not reasonably enable JCU to complete the prescribed procurement process in alignment with the Queensland Procurement Policy 2017 and FMPM 710 Procurement Policy & this Procedure.

Procedures in this section do not apply when accessing single provider supplier arrangements established by the Queensland Government, the Australian Universities Procurement Network (AUPN) and the UPH (refer to Section 4.8). Accessing these supplier contract in accordance with the requirements of the arrangements complies with the Queensland Procurement Policy.

A departure from policy will normally be reliant on proof of a material event that was not reasonably foreseeable in relation to property, third party demands, the environment, safety, or that a sole supply situation exists. The outcome of internal poor planning and/or convenience to bypass the procurement procedure should not be not considered satisfactory reasons to depart from the policy or procedure.

It should be noted that approval to depart from FMPM 710 Procurement Policy and this Procedure does not in any way relieve JCU from external criticism, complaint or potential litigation. Additionally, it should be noted that such departures may in most cases not provide JCU with the ability to properly demonstrate "value for money" procurement. On this basis, it is essential that JCU limit departures from its policy and procedure to retain satisfactory overall compliance with the Queensland Procurement Policy.

5.1 Request for Sole Supplier

Care should be taken when claiming that a supplier is a sole supplier, Purchasers should not select suppliers based on personal preference to avoid preparing a specification that would allow a competitive and fair quotation process. Sole Source Purchase requests must be

submitted on a [Departure from Quote or Tender request form](#) to the following relevant staff member for endorsement prior to being assessed by the P2P unit and approved by an authorised delegate as outlined in Table 1 of the Financial Delegation Register:

- Chancellery - Chief of Staff;
- Division of Tropical Health and Medicine - Director of Divisional Operations;
- Division of Tropical Environments and Societies - Director of Divisional Operations;
- Senior Deputy Vice Chancellor – Executive Officer;
- Global Strategy and Engagement – Executive Officer;
- Academic and Student Life – Executive officer
- Division of Services and Resources – Manager, Strategic Procure to Pay

5.2 Request for Single Source Supplier

Single sourcing of suppliers is not highly regarded and will require consultation and approval prior to any purchase order being raised or communication or commitment being made to a Supplier. Single Source Purchase requests must be submitted on a [Departure from Quote or Tender request form](#) to the following relevant staff member for endorsement prior to being assessed by the P2P unit and approved by an authorised financial delegate as outlined in Table 1 of the Financial Delegation Register:

- Chancellery - Chief of Staff;
- Division of Tropical Health and Medicine - Director of Divisional Operations;
- Division of Tropical Environments and Societies - Director of Divisional Operations;
- Senior Deputy Vice Chancellor – Executive Officer;
- Global Strategy and Engagement – Executive Officer;
- Academic and Student Life – Executive officer

5.3 Division of Services and Resources – Manager, Strategic Procure to Pay Request for Single or Sole Source Greater than \$200,000

Single or sole sourcing of purchases greater than \$200,000 is not highly regarded and will require a business case and approval from the relevant Deputy Vice Chancellor or Vice Chancellor prior to any commitment being made to a Supplier.

5.4 Request for Closed Offer

Requests for Closed Offers will require consultation with and approval from the Manager, Strategic Procure to Pay prior to any communication or commitment being made to any Suppliers. Justification must be provided in writing. The Manager, Strategic Procure to Pay may confer with the Director, Financial and Business Services for advice.

6. Emergency Procurement Procedure

- 6.1 Procurement undertaken in response to an emergency situation or a critical incident (as defined in the [Critical Incident Policy](#)) should, to the maximum extent possible, having regard to the surrounding circumstances, comply with normal JCU procurement procedures.
- 6.2 All emergency procurement that does not comply with the JCU Procurement Policy and this Procedure is to be justified, documented and reported in writing to the Manager, Strategic Procure to Pay.
- 6.3 The lack of proper planning or an unforeseen and urgent need to secure goods or services for a project does **not** constitute an emergency.

7. Workplace Health and Safety

The Purchaser is responsible for assessing if the proposed goods or services to be purchased will pose a risk to health and safety. The carrying out of a risk analysis is required for the acquisition of goods and or services that have been determined to pose a hazard or health risk to JCU staff. The WH&S risk analysis must be done before approaching the market. Further information can be obtained at <http://www.jcu.edu.au/whs/>

8. ACCC Cartel Deterrence and Detection

JCU's procurement system relies on firms competing for business so that prices are truly determined by the market. Competition rewards those firms that innovate and strive to deliver the best value for money. Conversely, firms that are less efficient and fail to respond to the needs of customers will not prosper. Market economies need strong regulations to counter the temptation for inefficient suppliers to collude and undermine the competitive process.

A cartel exists when businesses agree to act together instead of competing against one another. This agreement is designed to drive up the profits of cartel members while maintaining the illusion of competition.

Cartels have been discovered working in a wide range of industries. Large well-known corporations and small local businesses have been involved. The products vary from petrol, concrete and air conditioning to cardboard boxes, freight and fire protection systems.

Further information regarding cartel deterrence and detection can be found at <https://www-internal.jcu.edu.au/procurement/policy/index.htm>

9. Related Policy Instruments

JCU Code of Conduct

Competition and Consumer Act 2010 (Cwlth)

JCU Corporate Procurement Plan

Crime and Corruption Act 2001 (Qld)

JCU Critical Incident Policy

Financial Accountability Act 2009 (Qld)

Financial and Performance Management Standard 2009 (Qld)

Financial Management Practices Manual

(FMPPM) FMPPM 710 – Procurement Policy

FMPPM 712 – Engaging Individuals as Service Providers

FMPPM Appendix A - Financial Delegations Policy

Financial Delegations Register

Government Information Technology Contracting (GITC) Framework (Qld)

HSE-PRO-004 Drugs and Poisons Procedure

Integrity Act 2017 (Qld)

James Cook University Act 1997 (Qld)

JCU Enterprise Agreement 2013/2016

JCU Statement on Integrity

Procurement Transformation Division - Better Purchasing Guide: Developing Specifications

Procurement Transformation Division – Integrating Sustainability into the Procurement Process

Procurement Transformation Division – Inviting Offers

Procurement Transformation Division – Planning for Significant Procurement

Public Sector Ethics Act 1994 (Qld)

National Construction Code 2015

Queensland Code of Practice for the Building and Construction Industry

Queensland Charter for Local Content

Queensland Government Sustainable Procurement Roadmap

Queensland Health (Drugs and Poisons) Regulation 1996 (Qld)

Queensland Procurement Policy 2017

Real Estate Dealings Policy

Right to Information Act 2009 (Qld)

Sustainable Procurement: A Working Definition

Work Health & Safety Act 2011 (Qld)

10. Administration

Approval Details

Policy Sponsor	Deputy Vice Chancellor, Services and Resources
Version no	18-1
Date for next Major review	09/02/2021

Revision History

Version	Approval date	Implementation date	Details	Author
18-1	09/02/2018	12/02/2018	Amended to align with Queensland Procurement Policy 2017 and adopt internal audit findings from 2017.	Richie Woods Manager, Strategic Procure to Pay
17-1	28/04/2017	3/05/2017	Reviewed to further streamline efficiencies and to ensure continuing compliance with the Queensland Procurement Policy and JCU policies and procedures.	Manager, Strategic Procure to Pay
4.0	18/12/2015	19/12/2015	Revision as part of <i>Procurement Optimisation Project</i>	Richie Woods, Manager, Strategic Procurement
3.0	20/05/2013	20/05/2013		Commercial Services Office
2.0	06/02/2012	06/02/2012		Commercial Services Office
1.0	15/11/2011	15/11/2011		Commercial Services Office

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