



THE UNIVERSITY OF
SYDNEY

PROCUREMENT AND PURCHASING GUIDELINES

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PREAMBLE

WHAT IS THE PURPOSE OF THIS GUIDE?

This document is designed as a practical guide for staff to manage the non-complex procurement of goods and services leveraging standardised processes developed by Procurement Services, with input from the Office of General Counsel, Investments and Capital Management, Audit and Risk Management and Financial Services. It is also designed to help users comply with the University's Procurement Policy. The Procurement Policy and other policies are referenced in this document and these should be read and understood in conjunction with this guide.

Non-complex procurement is usually undertaken by either using preferred contract arrangements or through the use of a request for quotation process and is generally for low risk engagement. This type of procurement is mostly routine but issues may arise if the process is not managed correctly. Other considerations such as risk analysis and performance management should also be included in the process, where necessary.

WHO SHOULD USE THIS?

This document should be used by any University staff member who has a need or is directed to source goods or services of a total contract value less than \$200,000 inclusive of GST. This person is referred to as a Buyer in the remainder of this document.

If any University staff member has a need to or is directed to source goods or services of a total contract value greater than \$200,000 then Procurement Services should be contacted in accordance with the Tendering Procedures.

WHEN TO USE THIS?

For the most benefit, this document should be read prior to engaging with prospective suppliers to the University.

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BEFORE YOU BUY - CONSIDERATIONS

1 PRINCIPLES

The University's standardised procurement process embodies the following principles:

- (a) value for money, being the benefits achieved compared to the whole-of-life costs (eg. price, quality, reliability, service, delivery, payment terms, strategic suppliers);
- (b) quality, efficiency and effectiveness;
- (c) probity and equity;
- (d) transparency;
- (e) effective competition, including ethical behaviour and fair dealing;
- (f) environmental and sustainability considerations; and
- (g) other risk management considerations.

2 ETHICAL CONDUCT AND PROBITY

To ensure the University maintains integrity and professionalism at all times, all procurement and purchasing undertaken by University staff must be done in an accountable manner in accordance with the University's Code of Conduct and Procurement Policy.

2.1 CONFLICT OF INTEREST

The University's Code of Conduct Policy outlines the general standards of conduct expected by all staff members. The Buyer should ensure that all staff involved in the RFQ (Request For Quotation) development, release and evaluation stages have completed an [Evaluation Team Member declaration](#).

In order to avoid a conflict of interest, or the appearance of a conflict of interest, the Buyer should ensure that they follow the guidelines detailed in the University's Code of Conduct policy.

2.2 HANDLING OF RESPONSES

Responses received from a request for quotation are confidential and the Buyer must ensure that these documents are distributed only to those who are involved in the response evaluation. Even after the closure of a sourcing activity, confidentiality of responses must be maintained.

In addition, the Buyer must ensure that Evaluators are aware to not:-

- Send specifications, proposals, or samples from one supplier to another;
- Disclose pricing from one suppliers to another, including percentage differences; and
- Fabricate lower responses to drive price reductions.

3 DELEGATIONS OF AUTHORITY

[University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#) provides for the delegation by Senate to University officers. The Delegations are regularly updated and displayed on Policy Online. This document references the delegated authority in numerous sections and the user must ensure that they are familiar with the delegated authorities in their area.

The acquisition of goods and/or services is delegated in part 6.4 with various financial limits. For example, the acquisition of goods and/or service to the value of \$100,000 is delegated to Faculty General Manager (FGM), School General Manager (SGM) or CIS Manager Rural Operations

If you are unsure on whom the appropriate delegated authority is in your area, contact your Finance Officer / Manager / Director for clarification.

It is important to note that a Buyer should not make a commitment to a supplier without the authorisation from an appropriate delegate.

4 CENTRALLY MANAGED CATEGORIES OF EXPENDITURE

From 2010, following Senate Finance and Audit Committee endorsement, Procurement Services has transitioned to centrally manage a portfolio of operational expenditure categories. These categories have been selected following the completion of a holistic analysis of current and historical spend data, as well as completing a prioritisation exercise to determine the order in which the categories will be addressed. The categories will include, but are not limited to, Travel, Fleet, Desktop/Laptop computing, Stationery and Image and Copy devices.

Going forward, the expectation is that the major categories of expenditure will have established contracted suppliers.

Procurement Services also recognises the need to provide the appropriate guidance to staff at a local level, who wish to purchase specific goods and services not covered by the centrally managed categories. For these acquisitions, a step-by-step process is contained in [section 5](#) to assist buyers when selecting suppliers. This process has been developed to ensure that probity and business requirements and value-for-money are met in the most efficient way possible.

4.1 PREFERRED AND CONTRACTED SUPPLIERS

The University has contracted suppliers for specific goods and services. Purchases from these contracted suppliers for the agreed goods and services do not need to meet the University's Procurement Policy quotation requirements. Due diligence has been completed through a competitive process, and suppliers have been evaluated using the standard procurement process. These suppliers may also include preferred suppliers to the NSW Government and other recognised organisations such as HES, CAUDIT and CAUL. Engaging with Government panels will require following their process for selection of capability and availability.

You can view the University's contracted suppliers on the Procurement Services website. sydney.edu.au/procurement_services.

There are also a number of legacy preferred suppliers. These suppliers have historically supplied to the University; however they may not have been evaluated through a competitive process and most will not have formal contracts in place. It is expected that most of these legacy preferred suppliers will move to become contracted suppliers or will be replaced by other contracted suppliers in the future.

4.2 HOW TO PURCHASE FROM A CONTRACTED SUPPLIER?

The methods of purchasing vary depending on which contracted supplier you want to purchase from. Please see the Procurement Services website for directions on how to purchase from a contracted supplier.

4.3 WHAT TO DO IF THERE IS NO CONTRACTED SUPPLIER?

If there are no contracted suppliers for the goods or services you require, please follow the approach detailed in [section 5](#) of this document.

4.4 HOW DO SUPPLIERS BECOME CONTRACTED SUPPLIERS?

Contracted suppliers are appointed through a Procurement Services-led competitive process, such as a request for tender. In this process suppliers are evaluated against criteria such as capability to meet University requirements, quality, financial viability, total cost of ownership and value-for-money. In addition, a master contract agreement, detailing the terms and conditions of supply, is put in place.

4.5 TENDERING

For sourcing activity of a tenderable value (\$200,000 and above), please refer to the Procurement Policy and Tendering Procedures.

5 PROCUREMENT GUIDELINES BELOW \$200K FOR NON-CONTRACTED SUPPLIERS

Buyers need to ensure probity, integrity, fairness and consistency and that all procurement undertaken achieves value for money and is conducted in an accountable manner.

This section provides an approach to engage a supplier for goods or services that do not already have a contracted supplier in place. Please ensure that you have read [section 4](#) prior to proceeding.

Please note: For the purposes of this guide we have assumed that the general capability and capacity of the market to meet the buyers' requirements have already been assessed.

It is the responsibility of the Buyer to maintain a record of the process followed and documentation on the request-for-quote, proposals, quotes, evaluation and selection.

FIG 1:

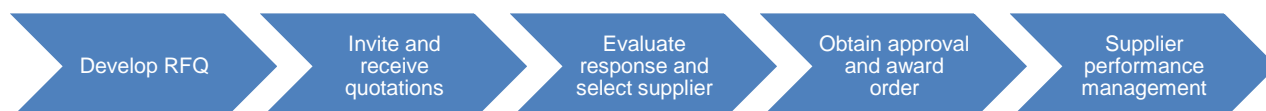


TABLE 1:

Step	Purpose	Typical Deliverables / Outcomes
1: Develop Request For Quotation (RFQ)	Establish sources, detail requirements, specifications and KPI's, how potential service providers are to respond and what the indicative evaluation criteria will be.	<ul style="list-style-type: none"> Complete / approved RFQ document. Complete/ approved evaluation plan.
2: Invite and Receive Quotations	Invite quotations, capture quotes in a controlled and timely manner.	<ul style="list-style-type: none"> Supplier quotations which adhere to requirements specified in RFQ document.
3: Evaluate Response and Select Supplier	Evaluate price / non-price elements of quotes, identify best value for money and qualify potential suppliers.	<ul style="list-style-type: none"> Complete evaluation and comparison of quotes against the evaluation plan. Potential suppliers qualified as per University requirements. (Legal, Insurance, Indemnity, Risk). Finalise negotiation, get Best and Final Offer (BAFO) and select supplier.
4: Obtain Approval and Award Order	Seek approval from delegate, advise successful / unsuccessful vendors and place Purchase Order.	<ul style="list-style-type: none"> Buyer should obtain approval from the appropriate delegate to accept the selection. The delegate must satisfy themselves that the best offer, as measured against the evaluation criteria, is being accepted. Once the selection process is completed, promptly advise both successful and unsuccessful respondents of the decision. Upon request, provide relevant details to unsuccessful vendors as to their lack of success. Limit this to the unsuccessful service provider's response and how it did not meet the requirements. To complete the purchase, use the University's external requisition (green form) / online requisition form (P2P)

5: Supplier Performance Management	Encourage quality performance, successful delivery of goods / services, continuous improvement and healthy buyer/supplier relationship.	<ul style="list-style-type: none"> • To ensure the terms and spirit of the contract are adhered to, including the commitment to service delivery. • Monitor the performance of the service provider against the specifications and requirements stated. • Unacceptable Goods or services are to be rejected and the supplier advised. Any instances of poor performance should be documented for future reference. • Invoices are to be reviewed prior to payment to ensure that the goods or services have been accepted and the invoice amount is correct and in accordance to the agreed terms and conditions.
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5.1 DEVELOPING A REQUEST FOR QUOTATION (RFQ)

Steps

What is a Request For Quotation (RFQ)? - A (RFQ) is a document detailing the requirements, performance expectations and technical specification of the goods or services required by the University. It also includes an outline of how responses will be evaluated and timeline in which responses can be submitted.

- [RFQ template](#)

Define the need and specification - It is essential that there is a clear understanding of what is to be procured. The first step is to define the need and to specify what is needed. Poor identification of needs may lead to incorrect products or services being sought or offered, resulting in additional time, effort and costs. Specifications should provide sufficient detail for a service provider to ascertain the agency's needs. Define specifications to encourage and promote open and effective competition. The specification should:

- be clear, concise and unambiguous
- not be commercial specifications based on known products or services
- not overstate specifications, as this may limit the range of goods and services offered
- not be understated as this may result in inappropriate goods and services

Components of a RFQ could include:-

- description of the need / specifications
- conditions of quoting, general conditions and special conditions
- master contract terms
- requirements such as quality standards, insurances, warranty selection
- criteria outputs and performance measures
- timeframes and location and instructions for lodgement
- response forms and schedules

Generic product names or descriptions should be used, provided they do not restrict competition. The degree of detail specified should reflect the degree of complexity, risk and value of procurement. An exception might be a reseller arrangement whereby the brand is non-contestable.

Establish Potential Sources of Supply - The following are examples of information sources that may be used to ascertain potential service providers:-

- Previous orders
- Common use or period contracts
- NSW Industry Capability Network (ICN)

- Newspapers and trade journals
- Telephone directories
- Catalogues
- The internet
- Industry and government directories

Confirmation of Funding - The Buyer should ensure that funding is confirmed prior to inviting quotations from the market, as this implies intent to purchase. This confirmation of funding should be authorised by the appropriate budget authority and documented for future reference.

Important Considerations - The Buyer should include the appropriate University standard agreement, or contract, in the request-for-quotation document. The University standard agreements have been developed by the Office of General Counsel (OGC) and Procurement Services and represent a fair market position for the University. See [section 7](#).

Suppliers may request further negotiation with certain terms and conditions, and if any amendments are suggested to the University standard agreements, the Buyer must contact the OGC for further review and consideration. It is recommended by the OGC that in the first instance a University standard agreement is always proposed as the terms of supply.

5.2 INVITING AND RECEIVING QUOTATIONS

Steps

The number of quotations

The following quotation requirements are the minimum needed to source goods and services of value less than \$200,000 (inclusive of GST). Additional quotations should be considered where the nature of the goods or services being acquired warrants it. Templates and guidelines to assist in obtaining the required number of quotations can be found at: <https://intranet.sydney.edu.au/services/buying-leasing-paying/buying.html>

Value of Order/ Agreement/ Contract Life (including GST)-Standard activities	Value of Order/ Agreement/ Contract Life (including GST)- CIS and ICT activities	Requirement
\$50,000 to \$199,999	\$50,000 to \$199,999	3 written quotations
\$10,001 to \$49,999	\$10,001 to \$49,999	2 written quotations
\$10,000 and below	\$10,000 and below	Quotations optional

Quotation Waivers

The need to obtain the required number of quotations may be waived in exceptional circumstances:

- where it can be shown and quantified that entire bodies of research would have to be duplicated at significant financial and time costs to the university if an alternative supplier is used;
- where it can be shown that the provider of the equipment or service is a sole supplier;
- where the specified attributes or advantages can be clearly documented and substantiate the value proposition from one supplier. These should be demonstrable and provide a compelling justification for the request.

The table below outlines the general approvals and requirements for Quotation Waivers:

Value of Order/Agreement/Contract Life (including GST)	Approval	Requirement
Quotation waiver \$10,001 to \$199,999	<ul style="list-style-type: none"> • School/Faculty/ University School Finance Director • Associate Directors Finance • Chief Procurement Officer • Associate Director Procurement Services 	<ul style="list-style-type: none"> • Submission of Formal Quotation Waiver request via the automated quote waiver tool.

Please consult with Procurement Services regarding the procedure for submitting formal Tender Waiver requests.

Inviting Quotations - The RFQ document should be used as the only form of communication to suppliers on the University's requirements, expectations and specifications. All suppliers being invited to submit a quotation should be given the same information at the same time and operate under the same conditions. In some circumstances, it may be appropriate to provide a face-to-face briefing and/or conduct a site visit. The Buyer should be aware of what information is provided in these briefings and visits, especially if not all potential respondents are present.

Issue of Addenda / Clarifications - Potential service providers may seek clarification of the specifications or other requirements after requests for quotations are issued. Procurement ethics require that potential service providers are treated equally and fairly. Any addenda containing material changes to the requirements, expectations or specification should be communicated to all potential respondents in writing, at the same time to ensure there can be no claims of unfair advantage.

In some circumstances, it may be appropriate to invite suppliers to a site visit. Please ensure that any potential respondents, who are unable to attend, are not greatly disadvantaged.

Receiving Quotations - A closing time for the submission of quotations is to be set prior to release. Buyers are reminded of the ethical and probity issues involved in accepting and considering late offers. The consideration of late offers may raise questions about the probity of the evaluation process. Late quotations should not be considered, except where the appropriate delegate is satisfied that the integrity and competitiveness of the process are not compromised. If a late quotation is considered or accepted, the reasons for doing so must be fully documented. Please ensure the commercial confidentiality of responses is maintained.

5.3 EVALUATE RESPONSE AND SELECT SUPPLIER

All RFQ responses should be evaluated in a consistent and fair manner. The evaluation criteria should be defined and agreed to by evaluators prior to reviewing any response.

- [Evaluation Criteria template](#)

Responses should be evaluated on a combination of qualitative, non-price criteria, and quantitative criteria. This combination of price and non-price criteria is a holistic assessment of the response, and allows responses of varying quality to be compared. The University is not obliged to accept the lowest price.

5.3.1 Qualitative Evaluation

A qualitative evaluation should always be conducted, to ensure that the quality of response is acceptable.

Qualitative evaluation criteria should be defined in advance of reviewing any responses. Qualitative evaluation criteria can include:-

- Suitability of proposal to meet University requirements
- Previous experience in product or service area
- Financial stability of company
- Capacity and calibre of personnel involved in service delivery
- Statutory compliance
- Programme of works or service methodology
- Location of servicing office
- Terms of supply

If the University standard agreement was not proposed or a Supplier has not accepted the University terms, then the terms of supply proposed should be carefully considered at this stage. If you are agreeing to supplier terms, additional diligence is required. Areas to consider include:-

- Payment terms;
- Payment structure;
- Delivery terms;
- Liability and Indemnities;
- Insurances; and
- Intellectual property rights.

5.3.2 Quantitative Evaluation

Quantitative or cost analysis should be completed for all responses. The quantitative analysis should consider all cost elements associated with the goods or services, and a total cost of ownership (TCO) should be determined for each response, if appropriate.

For a major equipment item, the total cost of ownership should include:-

- Acquisition costs: such as delivery, installation, configuration and training;
- Operation costs: such as consumables, maintenance, support;
- Disposal costs: asset depreciation and removal costs,

If goods or service costs are going to be incurred over an extended period (i.e. over 12 months) and the costs are not fixed, then variation due to time should also be considered.

If goods or services are to be purchased from overseas, then the Buyer should ensure that they follow the Foreign Exchange guide in [section 8](#).

5.3.3 Value-for-Money

An overall score, referred to as a value-for-money score, encompassing quantitative and qualitative evaluation can be calculated. This value-for-money (VFM) score is used to compare responses of differing quality. In most cases a 50% weighting is given to each component, however in some special circumstances more weighting may be given to the qualitative.

The ultimate VFM rating is a combination of the qualitative and quantitative scores and the method which has been accepted by the tender board is as follows:

$$\text{VFM Index} = \frac{\text{Qualitative Value}}{\text{Item Price}} \times \text{Scaling Factor}$$

The scaling factor is designed to ensure the overall VFM Index score is between a range of 0 and 10.

5.3.4 Supplier Qualification

The Buyer should ensure that all suppliers from whom responses have been received are suitably qualified to supply to the University. For instance, if the supplier is based in Australia, then they must have an ABN. In

In addition, there are minimum levels of insurance required to supply to the University. These minimum levels of insurance have been endorsed by Audit and Risk Management team and are detailed below, by category:

Category	Prof Indemnity (AU\$ Million)	Public/Product Liability (AU\$ Million)
IT Equipment		10
Software		20
Telecommunications and Connectivity		10
Administration Services	10	
Technical Services	10	
Professional Services/ Consultants	10	
Business Services	10	
Facilities Management		10
Utilities		10
Office Supplies		10
Printing and Publishing		10
Marketing and PR		10
Travel, Entertainment and Event Management		15
Agricultural and Farm		10
Medical and Laboratory		20
Equipment Other and Related		15

If a supplier has no previous history with the University, then the Buyer should ensure that the appropriate financial viability check has been carried out. There are industry standard reports available to assist with determining the financial stability of a supplier. Please contact Procurement Services for assistance.

5.3.5 Negotiation with Suppliers

In some sourcing activities, there may need to be further negotiation with suppliers regarding their response, cost of goods or services, or terms of supply. In conducting negotiations, the Buyer should ensure that confidentiality of responses is maintained. For instance, the Buyer should not disclose the specifics of a competitor's response.

It is strongly advised that any outcomes from negotiations that have a material impact on a supplier's quotation are documented by the Buyer.

If the Buyer had included a University standard agreement in the RFQ document, as suggested in [section 5.1](#), and the Supplier has responded with a list of issues, then negotiations on these should also begin. However, if any changes are required to the University standard agreement, the Office of General Counsel must be engaged as part of the process.

5.3.6 Selection of Supplier

Once there is agreement by the Evaluators on which response meets the University's requirements and represents fair value-for-money, a recommendation should be made to the appropriate Delegate for approval. This should be a written document describing selection process undertaken and reasons why the supplier is recommended.

5.4 OBTAIN APPROVAL AND AWARD ORDER

Once the selection has been made, the Buyer should ensure they receive approval from the appropriate delegate, prior to notifying the successful supplier.

The delegate should review the recommendation and ensure the appropriate RFQ process has been followed.

5.4.1 Notify Successful / Unsuccessful Suppliers

It is important to end the process by notifying both the successful and unsuccessful respondents of the outcome. This ensures that the market will remain responsive to the University.

The Buyer is not obliged to discuss the specific reasons why a respondent was not successful; however the Buyer should practice reasonable judgement if asked. When communicating to unsuccessful respondents, the Buyer should maintain confidentiality of all responses.

For the successful supplier, a Master agreement should be executed to ensure there is a clear understanding of the University's engagement.

If the contract with the successful supplier has, or is likely to be \$150,000 or more, inclusive of GST, please follow the process outlined in [section 9](#).

5.4.2 Complete an Internal / External Requisition Form

Finally, to complete the process, please raise either an internal (on-line) or external (Hard copy) requisition form to allow the commitment to the supplier to be registered in advance on the University's PeopleSoft system. If you have any queries regarding this, please contact P2P purchasing within Procurement Services.

5.4.3 Variations on approved amounts

Unforeseen variations on total costs for approved goods or services up to 10% on the approved amount do not require additional approval by the delegated officer. This provides a contingency for unforeseen costs such as exchange rate variations and modifications to works projects. This contingency is not to be communicated to suppliers when requesting quotes or tenders and must not be treated as an automatic opportunity to spend 110% of the original purchase order amount.

5.5 SUPPLIER PERFORMANCE MANAGEMENT

A Master agreement (contract) is vital in managing a supplier. The performance of the supplier can be monitored throughout the life of the contract if objective performance indicators are established. These should reflect what was stated within the RFQ document relating to Key Performance Indicators (KPI's) or service level expectations and will serve to mitigate risk for the University.

The agreed specifics of any product or service being offered by the supplier can be entered within the 'Statement of Work' or 'Work Order' section of the Master agreement. Please see [section 7](#) for more guidance on the 'Description' of the goods / services, 'Timing' and 'Deliverables'.

A supplier could be monitored / measured in the following areas:-

- Quality;
- Cost;
- Time;
- Communication – responsiveness, reporting and forward notifications;
- Account Management – problem resolution, contract management and risk management.

5.5.1 Escalation Procedures

Problems may arise throughout the life of the contract, and an established escalation procedure could ensure that the appropriate persons are engaged to resolve any issues. Hence the reference to 'Account Management' structure above. This procedure should cover both escalation within the supplier's account management structure and also escalation within the University.

5.5.2 Unacceptable Performance

Any instances of unacceptable performance, or failure to deliver the product / service to the agreed level, should be recorded as part of the supplier performance management process and managed, where

necessary, via the escalation process. This also emphasises the need for definitive KPI's and deliverables within the Master agreement to avoid any ambiguity between both parties.

5.5.3 Review Supplier Invoices

Care should be taken to review supplier invoices to ensure the charge being applied relates to what was agreed within the 'Work Order' and matches any 'special terms' you may have agreed for payment upon acceptance of the product or service.

6 LEASING GUIDELINES

The acquisition of an asset can be funded by a purchase or lease arrangement. The University's preferred method of financing an asset is by purchase. Leasing must be approved by the Chief Financial Officer, after analysis by Treasury, Financial Services.

6.1 LEASING PROCESS

Once approved by the Chief Financial Officer, equipment is ordered and supplied in much the same way as for purchases except to request that the invoice is issued to the leasing partner nominated by Treasury, Financial Services. Invoices are forwarded to and paid by the partner who then charges the University the rental amount.

6.1.1 Ordering Equipment

If you want to enter into a lease agreement then you need to ensure that the following steps have been completed:-

- Equipment has been selected through a process described in the previous sections of this manual.
- Source of Funding has been verified
- The appropriate delegate has approved the acquisition of the goods.
- Treasury, Financial Services have completed a lease vs buy analysis
- The decision to lease has been approved by the Chief Financial Officer.

Treasury, Financial Services will co-ordinate entering into the lease.

7 LEGAL GUIDELINES

This section has been prepared by the Office of General Counsel as a checklist of the matters to consider before the University enters into an agreement for the supply of goods and/or services using the University's standard goods and services agreement templates ([Standard University Agreements \(Procurement\)](#)). There are two relevant Standard University Agreements (Procurement) - either short-form goods and services agreement or a long-form goods and services agreement.

Except where set out below, the Standard University Agreements (Procurement) **must** be used whenever the University is purchasing goods and/or services. The Standard University Agreements (Procurement) have been developed by the University's Office of General Counsel and represent a commercially reasonable position for both the University and suppliers. Supplier agreements tend to favour the supplier and are more onerous on the University. Therefore, the University's default position is that Standard University Agreements (Procurement) **must** be used (except where set out below).

If a supplier refuses to sign a Standard University Agreement (Procurement), then the supplier must provide the University with a list of its exceptions to the Standard University Agreement (Procurement) (including detailed reasoning for each exception it raises) which should then be forwarded to the Office of General Counsel for review and comment.

Please note that if the supplier does not sign a Standard University Agreement (Procurement) and there is no other separate agreement between the parties governing the purchase, there is a risk that the University will

be bound by the supplier's purchase order terms if the supplier attaches them to the University's purchase order. Before signing any purchase order, please check that the supplier has not attached their standard purchase terms to the purchase order as otherwise there will be a battle as to whether the University's purchase order terms or the supplier's purchase terms prevail.

7.1 SHORT-FORM GOODS AND SERVICES AGREEMENT

The short-form goods and services agreement should only be used for purchases below \$50,000 and for lower risk purchases.

See the following table for examples of low risk purchases:-

Examples of low risk procurements
Procurements which would not severally or critically affect the University's core functions if for example, the supplier failed to deliver the goods and/ or services on time, or if the goods and/ or services fail to meet the requirements under the contract.
Procurements of goods and /or services that are mature tried and tested and have a proven track record of successful use without damage to the University or third parties.
Procurement of "off the shelf" goods and/or services with general commercial use.
Procurement of general utilities.

7.2 LONG-FORM GOODS AND SERVICES AGREEMENT

The long-form goods and services agreement contains more detailed provisions, including in relation to variations and engagement of personnel, and also provides for 'Special Terms' to be included to reflect the specific goods and/or services. If there are any 'Special Terms' relating to the purchase then a long-form goods and services agreement should be used.

7.3 WHEN NOT TO USE THE STANDARD UNIVERSITY AGREEMENTS (PROCUREMENT)

The Standard University Agreements (Procurement) are not appropriate where the University is purchasing goods or services that are specialised (for example, leasing services), technical (for example, involve specialised IT equipment) or complex in nature. If in doubt, please contact the Office of General Counsel.

The Standard University Agreements (Procurement) are also not appropriate for agreements for capital works. If the purchase relates to capital works (e.g. constructing new buildings or facilities or upgrading existing buildings or facilities), please contact Campus Infrastructure and Services who will determine if an Australian Standards Contract is suitable.

The Standard University Agreements (Procurement) are also not appropriate where the University is purchasing software.

If a Standard University Agreement (Procurement) is **not** being used because:-

- (a) the Supplier requires amendments to the Standard University Agreement (Procurement);
- (b) the Supplier refuses to sign a Standard University Agreement (Procurement) and insists on using its own agreement; or
- (c) of the nature of the goods and/or services,

the Office of General Counsel must approve the proposed agreement.

7.4 COMPLETING THE UNIVERSITY'S STANDARD AGREEMENTS

The 'General Terms' of the Standard University Agreements (Procurement), which sets out the University's standard terms and conditions, should not be amended and should only be provided to an external third party in PDF format.

The Standard University Agreements (Procurement) also contain variable sections in the 'Details' section at the front which will need to be completed before the Agreement is finalised. These sections must be completed accurately. If these details do not properly reflect the relevant transaction (for example if services are not accurately defined, or there is no commencement date) then the agreement may not operate effectively.

7.5 DESCRIPTION MUST BE COMPLETE AND ACCURATE

Agreements should never to be sent to external parties until the highlighted sections have been considered and the highlighting and alternative wording removed.

The goods and/or services provided must be completely and accurately described. Statements of Work, project plans or other reference schedules setting out the details on when, how and what is being delivered must be attached. Always ensure that any reference schedule or document attached is expressly referred to in the 'Details' section. This will ensure that the document is effectively incorporated into, and forms part of the agreement. However, avoid attaching multiple documents particularly where they contain inconsistent terms.

7.6 TIME OF THE ESSENCE

The 'Details' section in the Standard University Agreements (Procurement) provide an option for stating time is of the essence with respect to the timing of the delivery of the goods and/or services. This means that if the supplier fails to deliver at the agreed times, then the University is entitled to terminate the agreement. The 'Details' section should only be amended to provide that time is of the essence where it would be practical in the circumstances for the University to terminate the agreement rather than accept delayed delivery of the goods and/or services.

7.7 NOTICE RECIPIENT AND PROJECT OFFICER

The 'Notice Recipient' and 'Project Officer' must be completed for the University and the supplier on the front page of the Standard University Agreements (Procurement). Ensure that the position title of the 'Notice Recipient' and 'Project Officer' (and not their individual names) is used.

- ***Notice Recipient***

It is important to note that the 'Notice Recipient' is the only person with the authority to make binding representations. Also, any notice or formal representation should be signed by the 'Notice Recipient', and sent to the other party's 'Notice Recipient' and 'Project Officer.' Ensure that the person who is the nominated 'Notice Recipient' is appropriate and has authority to make binding representations on behalf of the University.

- ***Project Officer***

The 'Project Officer' is responsible for the ongoing contract management of the agreement. The 'Project Officer' should record the 'Commencement Date' and 'Contract End Date' for the agreement and will be responsible for ensuring any required renewal of the agreement is effected before the 'Contract End Date.' If the agreement expires before a renewal is effected the University may be unable to enforce its contractual rights.

7.8 TERM/SERVICE PERIOD OF THE AGREEMENT

Ensure that an appropriate term/service period for the agreement, which matches the University's requirements, is included. Also consider whether the University needs the right to extend the initial term for a further term by notice to the supplier.

7.9 DELIVERABLES

Ensure that all deliverables (e.g. reports and any other deliverables) that are required to be provided by the supplier are set out in the 'Details' (including details of when they are required to be provided).

7.10 BACKGROUND INTELLECTUAL PROPERTY RIGHTS

Ensure that the Intellectual Property Rights owned by each party before they enter into the agreement are set out in the 'Details.' At a minimum, the 'University Background Intellectual Property Rights' should be the 'University Materials.'

7.11 FEES

If possible structure the Fees so that they are tied to completion of specific deliverables or milestones. If the University is paying for deliverables or services on a time and materials basis, try and cap the fees to ensure that the fees do not exceed the anticipated amount. Also, ensure the Fees expressly state what is included and not included in the Fee, for example, expenses and taxes.

7.12 SPECIAL TERMS (FOR LONG-FORM GOODS AND SERVICES AGREEMENT)

The 'Details' section of the long-form Standard University Agreement (Procurement) contains a section called 'Special Terms'. It is intended that any terms which are specific to the goods or services are inserted in this section. Where amendments are made to the 'General Terms' via the 'Special Terms', approval by the Office of General Counsel is required.

7.13 ABILITY OF SUPPLIER TO PERFORM - DUE DILIGENCE

If the supplier is relatively unknown or obscure, or if you have any doubts about the supplier's ability to deliver the goods or services or the financial soundness of the supplier, then it is a good idea to conduct a search of the company. This will provide a lot of useful information on the overall standing of the company.

If you want to find out general information on a company then you can perform an [ASIC website search](#) (see 'Search ASIC Registers' section).

It may also be appropriate to obtain or request a copy of the supplier's annual report or other non public information regarding the soundness of the entity.

7.14 EXECUTION OF UNIVERSITY STANDARD AGREEMENTS

If, after considering the above matters, you:-

- (a) are satisfied with the commercial terms of the agreement;
- (b) the Office of General Counsel's review is not specifically required under this checklist; and
- (c) have acted in accordance with all relevant University by-laws, rules and policies, in particular, the University's *Procurement Policy* and the [University of Sydney \(Delegations of Authority - Administrative Functions\) Rule 2016](#).

you may organise for the agreement to be signed by the University (in accordance with the *Delegations of Authority - Administrative Functions*). In all other cases, you should consult Procurement Services. Procurement Services will then engage the Office of General Counsel, as required.

7.15 DELEGATIONS OF AUTHORITY

All agreements must be executed in accordance with part 6.4 in the [University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#) (see [section 3](#)).

7.16 WITNESSING OF SIGNATURES

Each party's authorised delegate must have their signature witnessed by another person. The execution clause provides a space for the witness details and signature. That person who acts as the witness must actually witness the signing of the document by the authorised delegate.

7.17 COUNTERPARTS

Agreements may be executed in counterpart. This means that each party can sign an identical copy of the agreement, and the parties exchange the counterparts. In other words, the signatures of all the parties do not need to be on the same copy of the agreement.

7.18 SIDE LETTERS

Be careful of side letters which change the scope of an agreement or bind the University. If unsure, contact the Office of General Counsel.

8 FOREIGN EXCHANGE GUIDELINES

This section outlines the procedure for enabling payment of invoices involving foreign exchange.

8.1 PAYMENT OF FOREIGN CURRENCY INVOICES

The University maintains holdings (TUNOS accounts) for the following currencies:-

- US Dollars
- Pounds Sterling
- Euro

Where goods or services are supplied to the University by an overseas supplier in the above currencies, up to the equivalent value of AUD\$200,000, payment is to be made from the corresponding TUNOS ACCOUNT.

- (1) The invoice is entered in PeopleSoft, exchange Rate is calculated based on the invoice date and is provided by Travelex daily.
- (2) Departments are charged in AUD based on the conversion rate provided by Travelex
- (3) The foreign exchange gain or loss associated with any currency fluctuation between the invoice date and the final payment date will be borne by the School/ Faculty/ University school.

8.2 FORWARD COVER/HEDGING

Where goods or services are procured by the University from an overseas supplier in any currency with a value exceeding AUD\$200,000, the University tendering process should be followed via the Procurement Services department. Upon completion of the appropriate procurement process, Procurement Services will work with the Investment and Capital Management department to determine the most appropriate hedging method, with advice also provided to Financial Control and Treasury.

If forward cover has been recommended by Investment and Capital Management the following procedure is to be followed.

- (1) When raising a Purchase Order, the agreed rate must be noted;
- (2) The Project Officer must advise Accounts Payable, once an invoice is approved, so that payment can be approved at the agreed rate;
- (3) Accounts Payable processes invoice at the agreed rate; and
- (4) The foreign exchange gain or loss associated with any currency fluctuation between the invoice date and the final payment date will be borne by the Department/Faculty.

8.3 SUPPLIERS LOCATED OUTSIDE OF AUSTRALIA

If you are considering sourcing goods or services from a supplier located outside of Australia, then you should ensure that you understand the following:-

- Foreign exchange impact;
- Shipping costs, customs duties and clearance fees;
- Warranty details; and
- Governing law;

9 CONTRACT REPORTING GUIDELINES

The University is subject to the *NSW Government Information (Public Access) Act 2009* ("Act"). Division 5 of the Act requires the University to maintain a publicly available Register of Contracts to which it is a party and which has, or is likely to have, a value of \$150,000 or more. This Register is required to be published on the University's website.

The contracts that are required to be reported are those in which a party agrees to:-

- Undertake a project, (for example: construction, infrastructure or property development);
- the provision of specific goods or services, (for example: information technology services);
- transfer real property to another party in the contract;
- a lease of real property.

Note that contracts of employment are not required to be reported.

9.1 CLASSES OF CONTRACTS

Classes of Contracts	
Class 1	Contracts entered into following usual tendering process
Class 2	Contracts entered into with no tender process and value < \$5,000,000
Class 3	Contracts entered into with no tender process and value >\$5,000,000

The Act identifies three classes of contracts. The detail required to be reported varies with each Class of contract. A copy of Class 3 contracts must be made available with the Register. For full details of the requirements refer to Division 5 of the Act. Some confidential information is not required to be included in the Register of Contracts, as set out in section 32 of the Act.

The Register of Contracts is maintained by Archives and Records Management Services.

10 GLOSSARY

Request for Quotation (RFQ) – An activity in the sourcing process where a request is made to a supplier(s) to provide a written response to meet a specific requirement or objective of the University. Responses can contain information on a supplier's capability, personnel, certifications, prior experience, approach, methodology and cost of supplying to the University.

Supplier Qualification – An activity in the sourcing process where a supplier is assessed against a series of mandatory criteria, on whether they are able to do business with the University. These mandatory criteria could include a registered ABN/ACN, public/product liability insurance, financial stability, and industry certifications.

Response Evaluation - An activity in the sourcing process where a supplier's response is evaluated against a series of qualitative criteria and quantitatively compared against competitors. The qualitative criteria could include capability, capacity, personnel, approach, methodology, and ability to meet timelines. Generally, in the quantitative comparison, the total cost of ownership of the response is used as the measure.

Legacy Preferred Suppliers - Suppliers who are existing suppliers to the University, and although they are not contracted, are recommended by particular business units.

Request for Tender (RFT) - A document sent to a Supplier, containing a request to provide a tender to meet a specific requirement or objective of the University. The RFT also details the conditions of tendering and the Supplier's response forms an offer. RFT's are used for purchases above \$200,000 and are managed centrally by Procurement Services.

Open Tender - Term used when a RFT is released to the entire market, generally advertised in a public newspaper and a public webpage.

Selective Tender - Term used when a RFT is released to only a selective portion of the market. There may be a number of reasons why a selective tender is more appropriate than an open tender, such as confidentiality issues or sensitive nature of requirements. Selective Tenders must be approved by the Chief Procurement Officer.

Multi-staged Tender - Term given when a tender process has a number of stages where responses are sought from Suppliers. Generally, an Expression of Interest is released to the whole market and responses sought. After evaluating these responses, a Selective RFT is published. Multi-staged tenders require a significant larger resource effort and should only be used when there is a high complexity in the requirements or market.

Tender Waiver - A document used when the most appropriate method of sourcing is a Tender, however due to specific circumstances a Tender is unable to be published. Tender Waiver are subject to approval by the Tender Board, CFO, Chair of the Tender Board, or Director Procurement Services.

Request for Quotation (RFQ) - A document similar to an RFT, however it is used for purchases below \$200,000.

Scope of Work - A description, usually written, of goods or services required by the University. A scope of work should include a specification of any goods, service requirements, and objectives.

Statutory Compliance - This refers to compliance or adherence to applicable laws and regulations.

Indemnity - An agreement whereby one party agrees to secure another against loss or damages, for example an insurance policy.

Intellectual Property Rights - A legal term meaning all registered and unregistered rights in relation to present and future copyright, trademarks, designs, know-how, patents, confidential information and all other intellectual property.

Quote Waiver - An exemption of Procurement Policy's quotation requirements due to exceptional circumstances. These are subject to approval by your Finance Director, Associate Director Finance, Director of Procurement Services, Associate Director Procurement Services.

Escalation - In a procurement context, this generally refers to a method by which an issue can be brought to the attention of a more senior decision maker. For instance, an escalation path within a supplier may be from an account manager to an account executive and then a general manager.

Unsolicited Proposal - An unsolicited proposal is one made by a Supplier that is not made in response to a Request for Quotation or other announcement by the University. An unsolicited proposal is generally initiated by a supplier for the purpose of obtaining business with the University.

Operating Leases - A lease for which the lessee acquires the property for only a portion of its useful life, commonly used to acquire equipment such as computers and printers. Any lease that is not a capital lease is an operating lease.

Technology Obsolescence - Decline of products due to the introduction of better competitor products or rapid advancements in technology. This is common in computers, printers and phones.

Off the Shelf products - Generally goods, however services also, that can be used to meet a specific need with little or no customisation.

Due Diligence - A legal term meaning measure of prudence to be expected from and performed by a reasonable person.

Proof of Concept - Evidence that an idea or model is feasible.