PROCUREMENT SOURCING PROCEDURES 2022

Issued by:	Chief Financial Officer
Dated:	11 February 2022 (commencing 12 February 2022)
Last amended:	
Signature:	
Name:	Mr Wayne Andrews

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1 Purpose and application

(1) These procedures are to give effect to the *Procurement Policy 2019*. ("the policy").

(2) These procedures apply to:

    (a) the University, staff, students and affiliates; and in particular:

        (i) all personnel authorised to conduct sourcing project and approach to market activities on behalf of the University;

    (b) all entities required to comply with the policy, including those bound to follow it by the terms of an agreement with the University; and

    (c) sourcing and tendering activities for the acquisition (whether by lease or purchase) of goods or services:

        (i) from suppliers external to the University;

        (ii) where the total contract value of the sourcing project is $250,000 and above (exclusive of GST).

    Note: See the *UniBuy Procurement Procedures 2019* for acquisitions of goods or services up to $250,000, which are made through UniBuy.

2 Commencement

These procedures commence on 12 February 2022.

3 Interpretation

(1) Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

approach to market	means a method by which potential suppliers are invited to participate in a procurement, including but not limited to: • open tender; • select tender; • direct negotiation; • request for quote; and • request for expression of interest.

approval to award	means the successful outcome of a sourcing project, being a decision to award a contract to a supplier, made consistently with the *University of Sydney (Delegations of Authority) Rule 2020*.
asset	has the meaning set out in the *Asset Financial Management Procedures 2019*. At the date of these procedures, that is: means a thing that can produce future benefit. An asset is a complete item, not a component.
business lead	means the purchaser or their nominated representative.
CFO	means Chief Financial Officer.
compliance framework	means the legislation and regulations with which the University is required to comply, which are recorded in the table published by the Office of General Counsel.
conflict management plan	means a documented plan for managing an identified conflict of interests. **Note:** See the *External Interests Policy 2010* for the University's requirements in relation to conflicts of interests.
contract workspace	means the module in UniBuy allocated to a particular procurement contract which acts as a workspace and repository for keeping all the contract documentation together and for facilitating spend and contract management.
confirmation of funding	means documentary evidence of funding availability.
CPO	means Chief Procurement Officer.
designated procurement system	means a system used in the procurement of goods and services, including but not limited to: • UniBuy; • TenderLink; • travel and expense management system; • MyLab; and • any other specialist purchasing system approved by the Chief Financial Officer.
direct negotiation	means negotiating with a single selected service provider, without any prior competitive tendering process.
expression of interest	means a response from an organisation or individual to a request from the University that they express interest in providing particular goods or services.
extension option	means an option in a contract to extend its duration.

external assessment platform	means an externally provided assessment mechanism used by the University to conduct due diligence of suppliers, including but not limited to: • financial, ethical, environmental or sustainability rating; • modern slavery supply chain risk rating; or • market or industry intelligence or research.
external interests declaration	means a declaration specifying any conflicts of interests. **Note:** See *External Interests Policy 2010*.
hazardous material	means any item or agent (biological, chemical, radiological or physical) which has the potential to cause harm to humans, animals or the environment, either by itself or through interaction with other factors.
KPI	means key performance indicator, which for the purposes of these procedures is a measurable value that tracks a relevant aspect of acquiring goods or services.
laboratory reagents	means chemicals, biological materials, genetically modified organisms, pharmaceuticals, and radioactive material.
MyLab	means the University's system for procuring laboratory reagents, consumables and hazardous materials used in research and education, including chemicals, gases, medications, and radioactive and biological materials.
OGC	means the Office of General Counsel.
panel rules	means the rules and arrangements for tendering that apply to a group of contracted suppliers who have been endorsed by Procurement Services to provide goods or services to the University.
procurement enablement team	means the catalogue and contract enablement team in Procurement Services that is responsible for setting up and maintaining contract workspaces and their related artefacts in UniBuy.
procurement probity adviser	means an independent adviser engaged to provide guidance and advice on management of probity matters which may arise during procurement activities.
procurement risk assessment tool	means a tool used to document the risk assessment relating to a procurement process.
procurement strategy	means a document summarising the planned approach to procuring specific goods and services.
request for information	means a document used to request general information about products, services or suppliers prior to a formal approach to market.
Request for Quotation (RFQ)	means a document requesting a formal quotation from the market detailing the requirements, performance and technical specification of the goods or services required by the University.

RFx	means any of the following: • request for proposal (RFP); • request for quote (RFQ); • request for tender (RFT); or • request for information.
risk	has the meaning given in the *Risk Management Policy 2017*. As at the date of these procedures, that is: means the effect of uncertainty on objectives. In the procurement context, this refers to an uncertain event or condition, that will have an effect if it occurs.
SLA	means service level agreement, which is an agreement between a supplier and the University that defines their working relationship.
sourcing lead	means the Procurement Services staff member appointed to manage a sourcing project.
sourcing request	means a request to source goods and services from an external supplier or provider.
sourcing team	means the specialist sourcing team in Procurement Services.
standard contract	means a standard form of contract prepared by the OGC for University use.
tender evaluation charter	means the document which lists the roles and responsibilities as well as expected behaviour that each tender evaluation committee member must demonstrate during the evaluation of responses. **Note:** See clause 15.
tender evaluation committee	means a committee responsible for evaluating responses to requests for tender and approving a tender evaluation report.
tender evaluation plan	means a document which specifies the basis on which tenders will be assessed, including the process and evaluation criteria to be used.
tender evaluation report	means a summary of the market engagement process, including analysis of tender submissions and negotiations, providing evidence to support an approval to award recommendation.
TenderLink	means the electronic platform on which the University advertises open tenders.
total contract value	means the total value of a contract over its entire duration, including options to extend.
UniBuy	means the University procurement system for the acquisition of goods and services.
UniBuy catalogue	means the list of negotiated purchasing relationships between the University and certain suppliers, whereby those suppliers are approved to provide specified goods and services at a set price through UniBuy.

UniBuy desk   means the procurement support specialist team in Procurement Services.

4   Applying the procurement principles

(1)   All sourcing procurement activity must comply with the principles specified in the policy, and demonstrate their application as outlined below.

    (a)   Responsibility for compliance is with:

        (i)   the CPO, reporting to the CFO, and the Tender Board;

        (ii)   Procurement Services, the sourcing lead and the procurement enablement team; and

        (iii)   the business lead.

(2)   **Value for money** is demonstrated through:

    (a)   evaluating all quotations received for a particular sourcing procurement activity taking into account:

        (i)   costs arising over the life of the goods or services being purchased, including holding costs, maintenance and cost of disposal;

        (ii)   features or attributes of the goods or services being purchased;

        (iii)   risk inherent in the acquisition or use of the goods or services to be acquired, including safety and supplier risk (including financial); and

        (iv)   price.

(3)   **Probity** is demonstrated through:

    (a)   accountability by:

        (i)   demonstrating that there is a business need for the goods and services;

        (ii)   using the appropriate delegations, consistently with the *University of Sydney (Delegations of Authority) Rule 2020*;

        (iii)   using only University designated procurement systems for sourcing projects;

        (iv)   complying with the *Staff and Affiliates Code of Conduct 2021;*

        (v)   complying with the University's *Statement of Business Ethics*; and

        (vi)   appropriately documenting decisions, actions and communications with relevant parties.

            Note: See *Recordkeeping Policy 2017* and *External Interests Policy 2010*.

    (b)   transparency by:

        (i)   identifying external interests and managing conflicts of interests as soon as they are known;

        (ii)   ensuring every person who has a material involvement in a sourcing project completes a project-specific external interests declaration and that any identified conflict of interests is managed consistently with a written conflict management plan;

(iii) not soliciting or accepting gifts or benefits, either for themselves or for another person, which may compromise or influence them in their official University capacity or might appear to do so;

    Note: See the *Staff and Affiliates Code of Conduct 2021* and *External Interests Policy 2010*.

(iv) maintaining organisational processes that allow the reporting of inappropriate conduct and auditing of procurement practices;

    Note: See the *Reporting Wrongdoing Policy 2012*.

(v) establishing and documenting the evaluation process and selection criteria before opening quotations and tenders;

(vi) assessing quotation and tender responses consistently, using pre-determined evaluation methodologies and selection criteria;

(vii) documenting the evaluation and selection process;

(viii) establishing an open, fair and defensible process for awarding contracts;

(ix) recording all required information in the contract workspace, which will then be used to populate the contracts register maintained by Archives and Records Management; and

    Note: See clause 12 of the policy and the *Government Information (Public Access) Act 2009* (NSW).

(x) disclosing contracts awarded, including contract variations, in accordance with legislative requirements.

(c) confidentiality by:

(i) maintaining the confidentiality and anonymity of tenderers throughout the sourcing procurement and tender process;

(ii) maintaining confidentiality of tenderer and supplier information and all tender documentation received; and

(iii) requiring that all parties comply with confidentiality agreements or contractual obligations, where applicable.

    Note: See also *Privacy Policy 2017* and *Privacy and Personal Information Protection Act 1998* (NSW).

(d) fairness by:

(i) providing suitable suppliers with a reasonable opportunity to participate in the approach to market; and

(ii) defining the scope of services, specifications or requirements relevant to the performance or delivery of the contract so as not to unfairly limit the ability of suppliers to respond (e.g. through specifying proprietary materials or equipment).

(4) **Safety considerations** are demonstrated by:

(a) including safety and performance standards as an evaluation criterion where relevant, when selecting a supplier;

(b) reviewing products and services procured to determine inherent risk;

(c) requiring imported goods to meet mandatory Australian safety standards as prescribed by the Australian Competition and Consumer Commission;

  (i) The business area importing goods is responsible for design and compliance with Australian safety standards in accordance with Australian safety laws.

(d) purchasing laboratory reagents and consumables from MyLab;

(e) completing a pre-purchase safety assessment; and

(f) complying with the *Work Health and Safety Policy 2016*.

  Note: See Section 11 of the *Work Health and Safety Procedures 2016* for a detailed list of safety considerations.

(5) **Legality** is demonstrated by compliance with legal and regulatory requirements by:

(a) using University approved standard contract templates or other forms of contract templates approved by OGC;

(b) obtaining legal advice from OGC when not using, or making significant amendments to, University approved standard contract templates; and

(c) complying with all applicable University rules, policies and procedures and relevant legislation.

Note: See clause 5 of the policy and the University's *Compliance Framework*.

(6) **Appropriate risk management** is demonstrated by the purchaser satisfying themselves that the University can, and will, comply with:

(a) all the obligations imposed by the relevant contracts; and

(b) its legislative, regulatory and internal policy requirements including the:

  (i) Risk Appetite and Tolerance Statement;

  (ii) *Risk Management Policy 2017*;

  (iii) *Privacy Policy 2017*;

  (iv) *Recordkeeping Policy 2017*; and

  (v) *Modern Slavery Policy 2020*.

  Note: See clause 5 of the policy.

(7) **Sustainable, ethical and socially responsible procurement practice** is demonstrated by:

(a) including sustainability standards as an evaluation criterion where relevant when selecting a supplier;

(b) considering the selection of goods and services that:

  (i) promote social responsibility, including indigenous supplier participation; and

  (ii) minimise the risk of modern slavery links in the operations and supply chain; and

(c) considering the selection of goods and services which have lower environmental and sustainability impacts across their lifecycle compared with competing products and services.

Note: See clause 9 of the policy. See also the *Sustainability Strategy 2020, Environmental Sustainability Policy 2015* and *Modern Slavery Policy 2020;* and the *Disability Discrimination Act 1992 (Cth)* and *Modern Slavery Act 2018 (Cth)* and *Modern Slavery Act 2018 (NSW).*

5　Sourcing requests

(1) Procurement Services is responsible for managing the procurement of goods and services with a total contract value of $250,000 or above (exclusive of GST). This includes:

(a) undertaking new procurement arrangements (when assessing the market through any process specified in these procedures);

(b) renewing existing arrangements; and

(c) exercising extension options.

(2) Subclause 5(1) does not apply to purchases through approved panel arrangements which:

(a) have approved panel rules with higher thresholds for local area buying; and

(b) have been approved by the Tender Board.

(3) If the goods or services required are not available for purchase through a UniBuy catalogue and are valued at $250,000 or above (exclusive of GST), the purchaser must:

(a) raise a sourcing request (or equivalent) in UniBuy; and

(b) work together with the Procurement Services sourcing team for specialist oversight and support.

Note: For a sourcing request form, log in to UniBuy Guided Buying. If the goods or services required are valued at $250,000 or above (exclusive of GST) and are available for purchase through a UniBuy catalogue, the purchaser may seek quotations from suppliers with the participation of Procurement Services or directly through UniBuy.

(4) After submitting the sourcing request, a representative from Procurement Services sourcing team will contact the purchaser to provide support and commence the sourcing process.

(5) When acquiring goods or services by a sourcing request, the purchaser must:

(a) demonstrate that there is a business need for the goods and services, by providing adequate documentation; and

(b) demonstrate that there is approved funding available for the sourcing, by providing the confirmation of funding statement for the total contract value of the project approved by the Finance Director for the relevant business area.

Note: Purchasers should contact Procurement Services for advice and access to the relevant materials in the UniBuy Knowledge Library for preparing and completing the confirmation of funding statement.

6　Legislative and regulatory compliance

(1) When acquiring goods or services by a sourcing request, the purchaser must:

(a) review the University's *Compliance Framework:*

(i) identify legislation applicable to the transaction; and

(ii) satisfy themselves that the acquisition will comply with relevant requirements;

(b) in particular, satisfy themselves that the acquisition of the goods or services will comply with the provisions of the following statutes and regulations where they are applicable:

   (i) *Autonomous Sanctions Act 2011 (Cth)*;

   (ii) *Charter of the United Nations Act 1945 (Cth)*;

   (iii) *Customs (Prohibited Exports) Regulations 1958 (Cth)*;

   (iv) *Customs Act 1901 (Cth)*;

   (v) *Defence Trade Controls Act 2012 (Cth)*;

   (vi) *International Traffic in Arms Regulations (United States)*;

   (vii) *Modern Slavery Act 2018 (Cth)*; and *Modern Slavery Act 2018 (NSW)*.

   (viii) *Weapons of Mass Destruction (Prevention of Proliferation) Act 1995*; and

(c) where the University assumes contractual responsibility for compliance with legislation, satisfy themselves that the University can and will comply.

Note: Purchasers should contact OGC for assistance if required.

7   Non-compliant sourcing projects

(1) Procurement Services will not approve or assist with the acquisition of goods or services in circumstances where the procurement process has been commenced or conducted outside the procurement principles and requirements of the policy and these procedures.

(2) Under exceptional circumstances, Procurement Services may be able to endorse procurement outcomes where Procurement Services is satisfied that the procurement principles and requirements specified in clause 4 can be demonstrated.

(3) Responsibility for non-compliant procurement processes rests with the relevant approving delegate.

(4) Procurement Services and the Tender Board may jointly request that the relevant delegate provide a statement explaining the reasons for the non-compliance.

   Note: See *Staff and Affiliates Code of Conduct 2021*.

8   Approvals

(1) To achieve the appropriate levels of quality and governance in sourcing projects, documents must be approved at specific stages throughout the life of a sourcing project.

   Note: The requirements of *University of Sydney (Delegations of Authority) Rule 2020* must be met, including conditions of exercise.

(2) The required document approvals for each stage of a sourcing project are specified in Schedule 1 of these procedures and are set for each sourcing project and approach to market.

   (a) Document approval requirements for sourcing projects assessed to be medium-low risk are set out in column 2 of the table in Schedule 1.

   (b) Document approval requirements for sourcing projects assessed to be high risk are set out in column 3 of the table in Schedule 1.

(c) The sourcing lead will provide the business lead with advice and access to the relevant materials in the UniBuy Knowledge Library on the staff intranet for the planning, approach to market, evaluation and contract award tasks and approvals required for the sourcing project.

(3) For sourcing projects which require Tender Board approval, the requirements for approving, endorsing, noting and reviewing documents specified in the Tender Board Terms of Reference also apply.

(a) The Tender Board Terms of Reference are set out in Schedule 2 of these procedures.

(4) The engagement of specific individuals otherwise than as employees must comply with the *Workforce Engagements and Payments Policy 2016*.

(5) Financial Control and Treasury must:

(a) approve acquisitions in foreign currency where the cost is over $200,000 (exclusive of GST); and

(b) be consulted prior to acquisitions of equipment where the cost is over $200,000 (exclusive of GST) where a lease is being considered.

(i) The University's preferred financing methodology is to purchase assets.

(ii) Assets may only be leased with the approval of the Chief Financial Officer after a lease versus buy analysis is conducted by Financial Control and Treasury.

Note: See *Treasury Management Policy 2018*. Contact: Syd_Uni_Treasury_Ops@sydney.edu.au.

9 High risk sourcing projects

(1) Specific guidance for managing high risk purchases can be found on the University's Buying Goods and Services intranet page.

Note: See Guidance on contracting for the procurement of goods and services and the *UniBuy Procurement Procedures 2019*.

(2) Sourcing procurement may be high risk if it involves the acquisition of goods or services which:

(a) could severely or critically affect the University's functions or service delivery;

(b) are related to projects which involve multiple vendors;

(c) are subject to any of the statutes referred to in subclause 6(1)(b);

(d) are considered at high risk of being linked to modern slavery in operations or the supply chain;

(e) could attract publicity or media attention, increasing the likelihood of additional probity or risk management requirements, or political scrutiny;

(f) include asset purchases with a value $250,000 or more (exclusive of GST);

(g) include equipment leases; or

(h) include acquisitions in foreign currency with a value of $200,000 or more (exclusive of GST).

PART ONE – PLANNING

10   Procurement strategy

(1)   All sourcing projects must have an approved procurement strategy, describing the process that will be followed for planning, sourcing and awarding the contract to a supplier.

Note: The sourcing lead will provide the business lead with advice and access to the relevant materials in the UniBuy Knowledge Library for preparing and completing the procurement strategy.

(2)   The procurement strategy may include market and internal analysis or a stakeholder analysis.

(3)   The requirements of this clause also apply to renewing or extending existing arrangements and changes to an approved procurement strategy.

(4)   A procurement strategy presented for approval must be supported by:

(a)   all relevant external interest declarations;

(b)   the confirmation of funding or prior approval from the CPO to proceed without the confirmation of funding;

(c)   the risk assessment; and

(d)   any other documentation considered relevant by the sourcing lead.

(5)   Every person who has a material involvement in a sourcing project must complete a project-specific external interests declaration. This includes all members of the tender evaluation committee.

(a)   Any identified conflict of interests must be managed consistently with a written conflict management plan for the sourcing project.

Note: Contact OGC for advice if necessary.

(6)   The sourcing lead must obtain a confirmation of funding for the total contract value of the project.

(7)   The sourcing lead, together with the business lead and proposed contract manager, must complete a risk assessment for each sourcing project, using the procurement risk assessment tool.

Note: See the UniBuy Knowledge Library on the staff intranet and locate the risk assessment tool under Step 3. Initiate and approve Procurement Strategy.

(a)   The risk assessment must be kept up-to-date and amended as necessary throughout the sourcing project.

(b)   The sourcing lead is responsible for recording, in all relevant documents throughout the procurement sourcing project, all identified risks which are:

(i)   unmitigated;

(ii)   high impact; or

(iii)   residual.

11   Recommending a market approach

(1)   When it is necessary to engage the market to select a new supplier, the sourcing lead, in consultation with the business lead, will:

(a)   consider the different market approaches available;

(b)   recommend an approach to market which will:

(i)   achieve value for money;

(ii)   be fair and transparent; and

(iii)   provide a clear and concise justification for the recommendation.

(2)   When considering and recommending a suitable approach to market, the sourcing lead, in consultation with the business lead, will:

(a)   conduct a risk assessment to identify and address risks arising from the recommended market approach;

(b)   satisfy themselves that the procurement strategy justifies the market approach; and

(c)   for a direct negotiation, demonstrate that a competitive process does not need to or cannot be conducted and that value for money can still be achieved.

Note: See tendering requirements in clause 14 of the policy.

12   Selecting potential suppliers

(1)   When approaching the market with an RFx and selecting potential suppliers, the purchaser must satisfy themselves that:

(a)   there is an opportunity for competition in the relevant market;

(b)   potential suppliers have time and capacity to respond to the request; and

(c)   material submitted by potential suppliers in response to the request can be managed confidentially and in accordance with intellectual property rights.

(2)   All open tenders are established on TenderLink. For other approaches to market, the sourcing lead must send the RFx invitation to suppliers registered in UniBuy.

(3)   Suppliers who have no previous history with the University must be established in the University's system, consistently with the *Supplier and Payment Procedures 2019*.

PART TWO – MARKET ENGAGEMENT

13   Preparing and issuing the RFx template and questions

(1)   Each sourcing project must use the University's most recent approved sourcing templates and contract templates.

(a)   The University's Procurement Conditions of Tendering must be used in every market approach unless approved by OGC.

(2)   For the RFx, the University's standard questions for procurement sourcing projects must be sent to all suppliers.

(a)   The standard questions cannot be deleted or amended without the approval of the Associate Director Procurement - Quality, Governance and Performance or OGC.

(b)   A direct negotiation sourcing project must also include the standard questions and the supplier's responses must be considered.

(3)   When the RFx questions include mandatory criteria, a specific question must be asked, or a specific document requested, in relation to each.

(a)   Failure to meet a mandatory criterion means that the supplier cannot be further considered in the evaluation process.

(4)   The RFx questions must:

(a)   be aligned to evaluation criteria and weightings to facilitate evaluation; and

(b)   address all risks identified in the risk assessment.

Note: The RFx may include project or contract specific questions, including functional requirements or specifications. Care must be taken to ensure that functional or technical requirements are product or supplier agnostic.

(5)   The RFx content must be approved by the CPO if the project:

(a)   is assessed as high risk (before risk mitigation); or

(b)   has a total contract value greater than $10 million (exclusive of GST).

(6)   The sourcing lead must complete the probity adviser questionnaire to assess whether the support of a third-party probity adviser is required for the sourcing project.

(a)   If a procurement probity adviser is engaged, the tender evaluation committee must consider the probity adviser's report during the evaluation process and include it with the tender evaluation report and the approval to award.

(7)   The sourcing lead is responsible for all communications with suppliers throughout the sourcing project.

(a)   Sufficient time must be given to suppliers to provide the University with a full and thorough response. The time must be fair to both incumbent and new suppliers to the University.

(b)   The closing time and date for the RFx procurement event must be clear to all suppliers.

(c)   The sourcing lead must inform all suppliers of any extensions to closing times or dates of a request for tender, and where necessary, the reasons for extension.

(d)   The sourcing lead is responsible for informing unsuccessful suppliers of the outcome of the sourcing process.

(i)   Unsuccessful suppliers must not be informed until the contract award has been approved and the contract executed.

14   Contract requirements for issuing the RFx

(1)   A standard contract must be attached as part of the RFx, along with an issues list for tenderers to provide contract departures.

(2)   University standard contracts should be used without material amendment whenever possible.

(a)   Amendments to standard contracts other than in relation to commercial terms must be reviewed and endorsed by OGC.

(3) If there is no appropriate standard contract, OGC must be consulted on an appropriate form of contract for inclusion and be consulted about terms before the RFx is issued.

(4) The sourcing lead must:

    (a) follow any guidance or advice provided by OGC; and

    (b) obtain separate OGC advice on each occasion when it is proposed to use a form of contract other than a University standard contract.

(5) Where the supplier has undertaken a supplier assessment through a University contracted supplier assessment platform, any recommended improvement opportunities should be included as KPIs in the contract, if appropriate.

(6) In the case of a direct negotiation with an existing supplier to extend a contract, the sourcing lead must review the contract terms and satisfy themselves that the terms of the extension are consistent with the current version of that standard contract.

(7) Where supplier terms and conditions are used, the sourcing lead must obtain OGC's advice as to the contract's suitability.

15 Evaluating supplier responses

(1) The sourcing lead must:

    (a) assess supplier tender responses to identify any non-conforming responses and determine whether the response should be precluded from evaluation or further information requested;

    (b) assist the tender evaluation committee to keep the evaluation process fair;

    (c) manage the tender process including meeting timelines, managing conflicts of interests and where necessary, addressing probity issues;

    (d) negotiate changes to the proposed form of contract to take account of any additional risks that may arise;

    (e) manage any issues arising from supplier due diligence; and

    (f) lead the financial evaluation of supplier responses and seek clarification or additional information where necessary.

(2) **Tender evaluation committee:** The sourcing lead must establish a tender evaluation committee to evaluate the tender responses.

    (a) The tender evaluation committee must have at least three members with sufficient subject matter knowledge to evaluate responses, including, where appropriate, qualifications or experience in evaluating modern slavery risks.

    (b) The role of the tender evaluation committee and of the sourcing lead is set out in the tender evaluation charter, to which all tender evaluation committee members must agree by approval in UniBuy.

    Note: The sourcing lead will provide members of the tender evaluation committee with advice and access to the relevant tender evaluation charter materials in the UniBuy Knowledge Library.

    (c) The tender evaluation committee may appoint non-voting advisers or subject matter experts to assist it. All advisers must complete an external interests declaration before participating.

(3) **Tender evaluation plan:** The sourcing lead must prepare a tender evaluation plan for the sourcing project, including when conducting an expression of interest.

(4) The tender evaluation plan must:

    (a) specify the criteria and weightings to be applied;

    (b) identify mandatory and desirable criteria; and

    (c) map all RFx questions, excluding those related to tenderer information, to mandatory or desirable evaluation criteria or sub-criteria, and apply a weighting.

(5) The tender evaluation plan must be approved by all tender evaluation committee members before any supplier responses are viewed.

(6) The tender evaluation plan must be approved by the CPO if the project is high risk (before mitigation strategies) or has a total contract value greater than $10 million (exclusive of GST).

Note: See the tender evaluation overview page under Tendering - $250K (ex GST) and above on the staff intranet.

PART THREE – AWARDING THE CONTRACT

16 Tender evaluation report

(1) The tender evaluation committee will:

    (a) Evaluate the tender responses received in accordance with the tender evaluation plan; and

    (b) Document the outcome of its evaluation in a tender evaluation report.

        (i) For multi-stage sourcing projects, a separate tender evaluation report is required for each market approach.

(2) The tender evaluation report must:

    (a) summarise the evaluation process undertaken, including how the final scores have been obtained;

    (b) record any dissenting views on the scores or outcome;

    (c) include a copy of any probity report issued; and

    (d) address any concerns raised by the procurement probity adviser.

(3) The tender evaluation report must be approved by the tender evaluation committee and the purchaser's business lead.

    (a) If the tender evaluation committee cannot reach a consensus, the matter must be referred to the CPO for consideration and approval or advice.

17 Negotiation plan

(1) At the discretion of the sourcing lead and the project team, a negotiation plan may be completed.

(2) Negotiations may take place during the evaluation (as part of a clarification stage or during supplier presentations) or after evaluations have been completed.

(3) Negotiations must not result in material changes to the project scope or requirements.

    (a) If a scope change is identified, the sourcing lead must consult the CPO who may recommend restarting the tender or seeking updated responses from short-listed suppliers.

18 Supplier due diligence

(1) For any sourcing project:

    (a) with a total contract value over $10 million excluding GST; or

    (b) where a modern slavery risk rating is high;

the preferred supplier must be subject to a due diligence assessment process, which may include an external assessment conducted through one of the University's external assessment platform providers.

(2) If an external supplier due diligence assessment is undertaken, the scorecard and corrective action report must be:

    (a) reviewed by the tender evaluation committee;

    (b) included in the approval to award; and

    (c) reflected in key performance indicators in the contract.

(3) For any sourcing project with a total contract value over $10 million (exclusive of GST):

    (a) the sourcing lead must obtain an appropriate financial assessment; and

    (b) the findings must be:

        (i) reviewed and endorsed by the relevant Finance Director; and

        (ii) assessed by the tender evaluation committee.

(4) If any risks are identified as a result of supplier due diligence:

    (a) those risks must be assessed and addressed by the tender evaluation committee and project team;

    (b) a risk mitigation strategy must be implemented; and

    (c) relevant information must be recorded in the project's risk assessment tool and approval to award.

(5) For new suppliers, where references are included as part of the evaluation process, the reference check must be

    (a) conducted by the sourcing lead and at least one member of the tender evaluation committee; and

    (b) included in the tender evaluation report.

(6) For existing suppliers, where relevant, the results of any available performance reviews must be considered by the tender evaluation committee as part of the evaluation process and included in the tender evaluation report.

19   Approval to award the contract

(1)   All sourcing projects must have an approval to award before a contract is awarded to the preferred supplier. This includes:

(a)   renewals of existing arrangements; and

(b)   exercising extension options when the value of the option is not covered by the value of the approval granted at the time of the original contract.

(2)   An approval to award the contract is not required when exercising an option to extend a current agreement if the value of the option was approved at the time of the original contract.

(3)   The sourcing lead, in consultation with the business lead, prepares the application for the approval to award the contract. The approval to award must:

(a)   address how risks have been mitigated and identify residual risks to be handed over to the contract manager; and

(b)   be accompanied by the following documents, as applicable:

(i)   final confirmation of funding (for the total contract value);

(ii)   up-to-date external interest declarations;

(iii)   final risk assessment;

(iv)   copy of the approved procurement strategy;

(v)   tender evaluation report;

(vi)   copy of any briefing note;

(vii)   financial due diligence report;

(viii)   probity adviser's report;

(ix)   up-to-date conflict management plans;

(x)   report from the University's supplier assessment platform;

(xi)   panel rules;

(xii)   any steering committee recommendation; and

(xiii)   any other documentation deemed relevant.

(4)   The approval to award may only be prepared and presented for approval after evaluation and contract negotiations are complete.

(5)   All approval to award documents must be approved by the relevant delegate.

(6)   All approvals must be recorded in UniBuy before any contract is executed.

(7)   Once approval to award the contract has been obtained, the sourcing lead must arrange for the contract to be executed.

Note: See the *University of Sydney (Delegations of Authority) Rule 2020*.

Note: Approvals for award must be obtained as specified in Schedule 1 of these procedures. For sourcing projects which require Tender Board approval, endorsement or noting, refer to Schedule 2 of these procedures for the Tender Board Terms of Reference.

20 Executing the contract

(1) After approval by the relevant delegate, the delegate or the CPO may execute the contract documents.

(2) In all cases, a copy of the executed contract must be sent to Procurement Services for storing in the contract workspace in UniBuy and recording and registering within the University's central records management system.

21 Creating and enabling a contract workspace in UniBuy

(1) The sourcing lead must:

(a) upload the executed contract into the contract workspace in UniBuy, together with relevant contractual information, including unmitigated or residual modern slavery risks, for handover to the contract manager;

(b) send a request to unibuy.contract@sydney.edu.au to enable the contract for purchasing; and

(c) arrange for the contract to be enabled in UniBuy for the duration of the contract and for the supplier awarded the contract to be enabled in UniBuy.

Note: See *Supplier and Payment Procedures 2019*.

22 Handing over to contract manager

(1) The sourcing lead must hand over the executed contract to the relevant contract manager.

(2) The contract handover must include:

(a) a list of residual or contract-related risks to be managed;

(b) a list of KPIs and SLAs;

(c) a list of key contract clauses:

(i) termination clauses;

(ii) contract term, extension options and notice period;

(iii) pricing structure;

(iv) supplier's main point of contact information; and

(v) other relevant information.

23 Closing a sourcing project

(1) To close a sourcing project, the sourcing lead must:

(a) retain and store all documents relating to the sourcing project, consistently with the *Recordkeeping Policy 2017*, and complete the recordkeeping task to transmit all project documents to Records Online (TRIM);

(b) report all savings or benefits resulting from the sourcing project in UniBuy; and

(c) close and complete the sourcing project in UniBuy by ensuring all key documents are loaded into UniBuy and ensuring all UniBuy tasks are completed and closed off.

24 Recordkeeping and disclosure

(1) All documents relating to each procurement sourcing activity must be retained and stored, consistently with the *Recordkeeping Policy 2017*.

   Note: At the date of these procedures, records are to be retained for a minimum of 7 years. Further assistance is available from Archives and Records Management Services.

(2) All procurement-related documents must be attached and stored in UniBuy as supporting documents to the relevant sourcing project.

   (a) Procurement-related documents for sourcing projects include, but are not limited to:

      (i) sourcing request and supporting documentation;

      (ii) procurement strategy;

      (iii) confirmation of funding;

      (iv) external interests declarations and conflict management plans;

      (v) risk assessments;

      (vi) requests for quotes or tenders;

      (vii) written quotes or tenders received;

      (viii) evaluations (including tender evaluation charter, tender evaluation plan, tender evaluation report);

      (ix) approvals, including approval to award;

      (x) contracts and other terms of engagement; and

      (xi) financial records.

(3) From the executed contract stored in the contract workspace in UniBuy, Procurement Services is responsible for providing to Archives and Records Management all the relevant details of the contract required for inclusion in the University's contracts register and to fulfil the University's mandatory reporting and disclosure obligations under the *Government Information (Public Access) Act 2009* (NSW).

   Note: See clause 12 of the policy. Contact recordsonline@sydney.edu.au.

25 Rescissions and replacements

This document replaces the *Procurement: Tendering Procedures*, which commenced on 15 March 2012, and which are rescinded as from the date of commencement of this document.

NOTES

Procurement Sourcing Procedures 2022

Date adopted: 11 February 2022

Date commenced: 12 February 2022

Administrator: Chief Procurement Officer

Review date: 12 February 2027

Rescinded documents: *Procurement: Tendering Procedures*

Related documents:	*Privacy and Personal Information Protection Act 1998* (NSW)
	Government Information (Public Access) Act 2009 (NSW)
	Modern Slavery Act 2018 (NSW)University of Sydney (Delegations of Authority) Rule 2020
	Staff and Affiliates Code of Conduct 2021
	Statement of Business Ethics
	Compliance Framework
	Environmental Sustainability Policy 2015
	External Interests Policy 2010
	Modern Slavery Policy 2020
	Privacy Policy 2017
	Procurement Policy 2019
	Recordkeeping Policy 2017
	Reporting Wrongdoing Policy 2012
	Risk Management Policy 2017
	Supplier and Payment Procedures 2019Travel Policy 2018
	Treasury Management Policy 2018
	Workforce Engagements and Payments Policy 2016
	Work Health and Safety Policy 2016
	UniBuy Procurement Procedures 2019
	Work Health & Safety Procedures 2016

SCHEDULE 1: DOCUMENT APPROVAL REQUIREMENTS

Procurement Sourcing Document	Approval for medium or lower risk projects by:	Approval for high risk projects by:
Procurement Strategy	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Business lead & business sponsor - Chief Procurement Officer - Tender Board	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Business lead & business sponsor - Chief Procurement Officer - Tender Board
Tender Evaluation Plan	If total contract value is > $10 million: - Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Tender Evaluation Committee members - Business lead - Chief Procurement Officer If total contract value is < $10 million: - Commercial Portfolio Manager - Tender Evaluation Committee members - Business lead	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Tender Evaluation Committee members - Business lead - Chief Procurement Officer
RFx document	If total contract value is > $10 million: - Commercial Portfolio Manager - Tender Evaluation Committee members - Business lead If total contract value is < $10 million: - Business lead	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Business lead & subject matter expert - Chief Procurement Officer
Tender Evaluation Report	- Tender Evaluation Committee members - Business lead	- Tender Evaluation Committee members - Business lead
Approval to Award	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management	- Commercial Portfolio Manager - Associate Director Procurement -

Procurement Sourcing Document	Approval for medium or lower risk projects by:	Approval for high risk projects by:
	- Business lead & business sponsor - Chief Procurement Officer - Tender Board - Relevant delegate	Commercial Portfolio Management - Business Lead & Business Sponsor - Chief Procurement Officer - Tender Board - Relevant delegate
Special Dispensation	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Business lead & business sponsor - Chief Procurement Officer - Tender Board - VP Operations - Relevant delegate	- Commercial Portfolio Manager - Associate Director Procurement - Commercial Portfolio Management - Business lead & business sponsor - Chief Procurement Officer - Tender Board - VP Operations - Relevant delegate

SCHEDULE 2: TENDER BOARD TERMS OF REFERENCE

Committee	TENDER BOARD
Purpose	The Tender Board provides probity and compliance oversight of sourcing projects and the tender process and advice to delegates in the exercise of their delegated authority by: • <u>approving</u> procurement strategies; • <u>endorsing or noting</u> approvals to award; and • <u>monitoring and reviewing compliance with the policy and procedures.</u>

Terms of reference	1) Approve procurement strategies for:
	
	  a) All high-risk sourcing projects with a total contract value of over $1 million; and
	
	  b) Low and medium risk sourcing projects recommending the following market approach:
	
	    i) Open tenders with a total contract value of over $5 million;
	
	    ii) Select RFx following approved panel or pre-qualification scheme rules with a total contract value of over $5 million;
	
	    iii) Select RFx with competitive tension as approved by the CPO with a total contract value of over $5 million; and
	
	    iv) All other approach to market methodologies with a total contract value of over $1 million.
	
	2) Endorse approvals to award for:
	
	  a) Open tenders with a total contract value of over $5 million;
	
	  b) Select RFx following approved panel or pre-qualification scheme rules with a total contract value of over $5 million;
	
	  c) Other select RFx with a total contract value of over $1 million;
	
	  d) Late engagement projects deemed compliant by Procurement Services with a total contract value of over $1 million (i.e. Procurement-endorsed approvals to award); and
	
	  e) All sourcing projects which do not follow an approved procurement strategy.
	
	3) Note approvals to award for:
	
	  a) Any special dispensations for a sourcing project with a total contract value over $250,000 or variations of contracts arising from a previous special dispensation; and
	
	  b) All sourcing projects with a total contract value of over $1 million and approved by the CPO.

	4) Monitor compliance with the *Procurement Policy 2019*, the *Procurement Sourcing Procedures* and the *UniBuy Procurement Procedures*. 5) Monitor procurement documentation to ensure it reflects the objectives of the *Procurement Policy 2019*. 6) Review reports of compliance to policy and procedure (bi-annually).
Chair	Appointed by the CFO from members of the Tender Board, excluding the CFO and CPO. The Chair may appoint a representative from among the Tender Board members to act as Chair when the Chair is absent.
Membership	• Chief Procurement Officer • Chief Financial Officer • Two Finance Directors nominated by the CFO • Two senior staff members from outside the Operations Portfolio • Chief Risk Officer (bi-annual compliance review meeting only) • Such other members as may be required by the Tender Board's Terms of Reference from time to time.
Attendees	The meeting may be attended by: • Any Associate Director Procurement, without invitation; • Other Procurement Services staff for the purpose of presenting a project or updating the Tender Board; • Business project sponsors, business stakeholders or subject matter experts for the purpose of presenting a project or updating the Tender Board.
Quorum	At least three members of the Tender Board, including the CPO (or representative).
Secretariat	Procurement Services.
Meetings	Meetings will occur fortnightly if required according to the schedule released by the Tender Board secretariat. Out-of-session meetings may be held with the prior approval of the Chair. Papers may be approved by circulation with the prior approval of the Chair.

Reporting	The Tender Board reports to the Senate Finance Committee through an Annual Report presented in early March each year.
Minutes	Meeting minutes to be confirmed by the Tender Board Chair before being provided to Tender Board members. • Draft minutes to be provided to the Chair within 48 hours of the meeting close. • Final confirmed minutes to be provided to Tender Board members within 48 hours of confirmation by the Chair. • Release of confirmed minutes includes completion of UniBuy approvals by the Tender Board secretariat.

AMENDMENT HISTORY

Provision   Amendment   Commencing