

# Purchasing Procedures

## Section 1 - Procedures

(1) All references to dollar values throughout this document relate to GST exclusive amounts.

### Part A - The Purchasing Process

#### Methods of Purchase

(2) The methods of purchase are:

- a. Purchase Order - A Purchase Order direct with a supplier.
- b. Standing Purchase Order - Standing Purchase Orders are used to enable payment of regular monthly expenses such as maintenance of assets or frequently purchased items from the one supplier, such as electricity or stationery.
- c. Tender - required for goods and services over \$70,000 or those considered to have significant risk factors.
- d. University Corporate Credit Card - Where access is available the University Credit Card may be used for some purchases, refer to Corporate Credit Card Policy
- e. Petty Cash - for goods under \$200 (excluding alcohol, travel, entertainment, taxi's over \$50 and goods purchased frequently from one supplier)- refer to Petty Cash Policy.

(3) Prior to the calling of quotations or tenders, there must be sufficient documentary evidence on the file to demonstrate that:

- a. There is a need for the goods and services to be provided;
- b. Quoting/tendering is the most economical and viable alternative;
- c. Appropriate authorisation has been obtained;
- d. Funds are available.

(4) Details of every quotation or tender must be retained and be attached to the copy of the requisition or the Purchase Order.

(5) When obtaining quotes, staff should always request GST inclusive prices.

#### Methods of Selecting a Supplier (and supporting documentation required)

(6) The methods of selecting a supplier are:

- a. State Government Contracts and Preferred Suppliers
  - i. The NSW State Government Contract and the Southern Cross University preferred supplier arrangements provide a cost effective means of purchasing high volume, low value and low risk goods and services.
  - ii. These should be used for low value and low risk purchases. If the purchase is made from a State Government Contract or a Southern Cross University preferred supplier then there is no requirement to obtain other quotes.

b. Sole source of supply

- i. Where it is considered that there is only one suitable source of supply and that calling quotations or tenders would serve no purpose, it is essential to document reasons as to why the calling of quotations or tenders was waived.
- ii. The following details must be provided on or with the E-Requisition:
  - Technical reasons;
  - Any other reasons;
  - Only one supplier;
  - Exceptional circumstances which make it impractical to devote the time or other resources to the calling of quotations or tenders.

c. Competitive Selection via quote, tender or expression of interest

- i. Competitive selection processes should be used for high value or medium to high risk purchases and for the selection of preferred suppliers.
- ii. The financial guidelines set out below should be used in determining the appropriate selection process.
  - Less than \$10,000 per purchase - Where the value of the order is \$5,000 or less, evidence of three verbal quotes or certification of "value for money" are to be kept on file in the initiating area. The staff should use their knowledge of available markets.
  - \$10,000-\$69,999 per purchase (including Standing Orders below \$70,000) - Requires at least 3 written quotes or evidence of certification of "value for money" or sole supplier certification to be forwarded to the Purchasing Officer, or attached electronically to the E-Requisition.
  - \$70,000 and over - The purchase of goods or services or systems with an estimated cost over \$70,000 requires tender board approval. Generally supplier selection for purchases over \$70,000 should be determined based on a tender process.
  - The Tender Board will consider the most appropriate method of procurement.
  - Refer Part F of the Tendering Procedures - for information required to be submitted.
- iii. Under no circumstances should there be any "splitting of purchase orders" as a means of avoiding the need to seek a delegate's approval, or avoiding the requirements of Tender Board.
- iv. Other items subject to Tender Board Approval:
  - Single purchase or project acquisition identified as potentially complex;
  - Purchase where public tender will increase the number of prospective suppliers;
  - Complex problem where Invitation to Tender will stimulate alternative approaches and improved problem solving;
  - Period contract for goods over a period of one to three years.
  - Refer Part F of the Tendering Procedures - for information required to be submitted.

## **Initiate an E-Requisition**

(7) The work unit is to initiate the E-Requisition (E-Req).

(8) E Req's are processed via the E-Trans system.

(9) For further guidance on E-Req creation, please contact your Integrated Financial and Business Services Training and Support Officer

(10) Delegations are built into the system to comply with the [Delegations Register](#).

(11) The authorised E-Req then generates a Purchase Order which will be forwarded by the Purchasing Officer to the relevant supplier.

(12) Access to the E-Trans system can be obtained by completing an [E-Trans Access Form](#).

(13) Supporting paperwork (which includes any quotes required for items over \$5000), can be attached electronically to the E-Req.

(14) All transactions conducted in the course of procuring a good, service or system must be fully documented in accordance with the University's Record Keeping Policy and the [State Records Act](#).

## **Receiving Goods and Services**

(15) The employee responsible for physically receiving goods or services should not be the same person responsible for authorising the purchase order. All goods and services received are to be agreed to the authorised purchase order to ensure that:

- a. Goods/ services received are in accordance with the order
- b. Quantities of goods actually received are in accordance with the purchase order
- c. The quality of goods and services are acceptable to the University.

(16) Variations between the purchase order and actual goods and services received will require authorisation from the relevant [Delegated Officer](#) from within that work unit.

(17) Where goods have been returned to the supplier, staff should ensure that they notify Creditors [accountspayable@scu.edu.au](mailto:accountspayable@scu.edu.au) immediately, detailing the reasons.

(18) Any invoices for goods or services received must be signed by receiving party and forwarded to Creditors for payment.

(19) Where a price variation exists between goods/ services supplied and the original purchase order, authorisation is required in accordance with the University's Financial [Delegations](#).

## **Part B - Conflict of Interest**

(20) Staff members involved in the purchasing process must not have a vested or potentially perceivable interest in the outcome of any purchase, quotation or tender.

(21) A conflict of interest arises when staff are influenced or appear to be influenced, by personal interests when doing their jobs.

(22) Therefore those staff that have, or appear to have, a vested interest in any purchase should disclose their conflict of interest to their supervisor and wherever possible exclude themselves from the purchasing process.

(23) The interests involved need not be financial. For example, a relative or friend of the staff member may be a potential supplier. In this case, the staff member receives no financial gain but should not be involved in the selection of the supplier due to a perceived conflict of interest.

(24) If you believe a conflict of interest may exist in relation to a purchasing matter you should complete the [Declaration of Conflict of Interest Form](#) and forward it to the secretary of Tender Board.

## Status and Details

<b>Status</b>	Historic
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