

# Procurement Procedures

## Section 1 - Purpose and Scope

(1) These Procedures give effect to the [Procurement Policy](#) and establish the process by which Staff may legitimately purchase Goods and Services on behalf of the University.

### Scope

(2) These Procedures apply to all Staff engaged in the purchase of Goods and Services on behalf of the University.

## Section 2 - Definitions

(3) For the purpose of these Procedures, the following definitions apply:

- a. Assets - are tangible items that are held for use in the supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one financial year, and have a value exceeding the asset capitalisation recognition threshold in accordance with the Asset Financial Management Policy
- b. Goods and Services - all property (but not including real estate) and all types of services (including building and construction services);
- c. Purchasing - the process of acquiring Goods and Services;
- d. Requisition - a formal written request from a Staff member requesting that a Purchase Order be raised for goods or services they require;
- e. Purchase Order - a document released by the University to a supplier that defines what is needed, in what quantity, when performance is required, and on what terms, including price and payment terms;
- f. Standing Offer Arrangement (SOA) a Purchase Order used to enable payment of regular expenses such as, but not limited to, maintenance of assets or frequently purchased items from suppliers;
- g. Procurement Board - a committee established to provide either approval of, or oversight into, procurement activities that pose a high level of risk to the University;
- h. Staff - employees, contractors, volunteers, and all others performing work on behalf of the University; and
- i. Delegated officer, refer delegation's framework
- j. University - Southern Cross University and its controlled entities
- k. RFx - "Request for anything" taking the form of an RFP (Request for Proposal, RFI (Request for Information), RFQ (Request for Quote and RFT (Request for Tender)
- l. Supplier - is a person or a business entity that provides goods/services also known as a vendor

## Section 3 - Procedures

### Responsibilities

(4) Executive Members and Heads of Work Unit are responsible for ensuring these Procedures are understood and

adhered to by Staff within their respective portfolios/work units.

(5) All Staff, when Purchasing Goods and Services, must ensure that their purchase complies with the University's;

- a. [Procurement Policy](#); and
- b. [Delegations Rule](#).

## Methods of Purchase

(6) Subject to the conditions specified below, Staff may use the following purchasing methods:

| Method                                    | Conditions   |
|---|--|
| Corporate Credit Card                     | May be used provided the purchase is made in accordance with the University's <a href="#">Corporate Credit Card Policy</a> .                   |
| Purchase Order                            | Used for an approved Requisition for the supply of Goods and Services which has been released as an order to a supplier.                       |
| Standing Offer Arrangement Purchase Order | Used to enable payment of regular monthly expenses for one supplier, for example gas, freight, ongoing equipment maintenance, and electricity. |

## Requisitions

(7) Each work unit is responsible for initiating requisitions via the University's electronic finance system.

(8) Purchase requisitions must be created in Australian dollars only (AUD\$).

(9) Purchase requisitions will be released as GST exclusive.

(10) A Requisition does not constitute a Purchase Order and must not, under any circumstances, be represented to a supplier as a Purchase Order.

(11) Approval of a Requisition must be in accordance with the University's [Delegation Rule](#).

(12) Once a Requisition is approved, it will be released as a Purchase Order by the Procurement Services Team to the relevant Supplier.

(13) Subject to clause (21), supporting documents must be attached to the electronic requisition based on the value of the purchase as follows:

## Procurement Documentation Requirements

| Value of Purchase (Exclusive of GST) | Minimum Documentation Requirement      | Procurement Approach  |
|--------------------------------------|--|---|
| \$0 to \$19,999                      | One Written Quote                      | Recurring low value purchases should be consolidated into a single Standing Offer Arrangement (SOA) Purchase Order. (e.g. gas, freight)                                 |
| \$20,000 to \$200,000                | Three Written Quotes                   | At least three written quotations are required. All of the above must be attached to the electronic purchase Requisition.   |
| Above \$200,000                      | Procurement Board approval is required | Prepare a detailed procurement plan addressing the key procurement principles. Submit to Procurement Board which will advise the most appropriate method of procurement |

## **Purchase Orders**

(14) Purchase Orders are used for engaging and authorising a supplier to supply Goods and Services to the University.

(15) A Purchase Order must be created, approved and released to a supplier prior to the supply of the Goods and Services to the University.

(16) Purchase Orders must be maintained during their life cycle by the creating work unit. This includes recommending cancellation to the Procurement Services Team when any unused balances are no longer required.

## **Sole Source of Supply**

(17) Where it is considered that there is only one suitable source of supply and that calling for quotations or RFX would not benefit the University, the Procurement Documentation Requirements at clause (13) may be waived by the Procurement Board upon receipt of Request for exemption/direct negotiation documenting reasons justifying why the calling of quotations or RFX's should be waived.

## **Purchase Order splitting or bundling**

(18) Staff must not under any circumstances, split Purchase Orders to avoid Procurement thresholds or avoid financial delegation thresholds

(19) Transactions must be valued as a whole transaction and not split into components or parts.

(20) Regular or periodic orders (such as gas, freight) must be assessed as the annual transaction value.

## **Procurement Board Approved Suppliers**

(21) The University may establish Procurement Board Approved suppliers for the acquisition of specific Goods and Services. The selection of such Suppliers must follow a formal selection process, which may include, but not be limited to, a RFX market approach process in accordance with the Procurement Policy .

(22) Suppliers approved by the Procurement Board for a specific scope of work/project are only approved for the single engagement. Any extension or future supplier engagement must follow Methods of Procurement within the Procurement Policy.

(23) Procurement Board Approved suppliers should be engaged for acquisitions wherever possible' and normal delegation approval limits apply for the approval of Purchase Orders.

## **Goods Receipt and Payment Authorisation**

### **Receipting of Goods and Services**

(24) The Staff member responsible for receiving the Goods and Services must not be the same person who released the Purchase Order to the supplier.

(25) Goods and Services received must be system delivered against the authorised Purchase Order to ensure that:

- a. they are in accordance with the order;
- b. the quantities received are in accordance with the order;
- c. their quality is acceptable to the University; and
- d. the service requested has been carried out

(26) Where there is a cost increase on an approved Purchase Order of:

- a. more than \$500 (excluding GST), the Purchase Order will require re-approval by an appropriate delegated officer; or
- b. less than \$500 (excluding GST), the Purchase Order may be approved by the Accounts Payable Officer upon payment processing.

(27) Should goods be found to be faulty or service not performed at the agreed level, the relevant work unit must arrange return of goods, refunds and advise Accounts Payable.

(28) The University trading terms are 30 days from the date of invoice, staff must not negotiate trading terms with suppliers under any circumstances.

### **Direct Invoice**

(29) Method to process supplier payment for one-off low value invoice for goods/services without an official purchase order.

(30) Request via [accountspayable@scu.edu.au](mailto:accountspayable@scu.edu.au) for the invoice to be work flowed to the relevant staff member for coding and subsequent approval via T1 document file.

### **International Payment Approval**

(31) Work unit approval is required via email instruction to [accountspayable@scu.edu.au](mailto:accountspayable@scu.edu.au).

(32) Only the original invoice should be sent to Basware via [supplierinvoices@scu.edu.au](mailto:supplierinvoices@scu.edu.au) for payment.

### **Prepayment of Purchase Orders**

(33) Prepayment represents funds paid in advance of receiving the goods or services. Depending on the nature and value of the prepayment, transactions will either be expensed directly or apportioned over the time period for which the expense relates.

(34) Up-front payment for goods and services or part payments (excluding subscriptions/memberships/travel expenses) greater than \$20,000 require approval from the Director Corporate Finance.. Where there are specific operational needs and payment is required by the supplier in advance of goods/services being delivered, the financial responsibility and risk associated with prepayment transactions rests with the work unit undertaking the transaction. The financial delegate must assess the financial risk and if greater than \$20,000 contact the Director, Corporate Finance to obtain approval prior to the requisition being raised.

### **Private expenses**

(35) Purchases that are considered personal or private in nature are prohibited and must not to be charged by Staff to the University under any circumstances, failure to comply could result in internal disciplinary action, loss of employment and legal action being taken.

### **Capital Expenditure Committee**

(36) The Capital Expenditure Committee is responsible for overseeing the procurement of capital expenditure items in accordance with the Capital Expenditure Committee's Terms of Reference. Where a procurement is subject to Capital Expenditure Committee approval, written approval should be obtained prior to a purchase requisition being raised.

(37) Notwithstanding clause (36), all capital expenditure must comply with the requirements outlined in the Procurement Policy.



## Status and Details

|                              |  |
|------------------------------|--|
| <b>Status</b>                | Current  |
| <b>Effective Date</b>        | 1st October 2024   |
| <b>Review Date</b>           | 1st October 2027   |
| <b>Approval Authority</b>    | Vice President (Finance)   |
| <b>Approval Date</b>         | 1st October 2024   |
| <b>Expiry Date</b>           | Not Applicable   |
| <b>Responsible Executive</b> | Travis Walker<br>Vice President (Finance)<br>+0011 612 66203731              |
| <b>Head of Work Unit</b>     | Dave Elmer<br>Director, Financial Performance                                |
| <b>Enquiries Contact</b>     | Dave Elmer<br>Director, Financial Performance<br><hr/> Financial Performance |