PROCUREMENT POLICY

SCOPE

This policy applies to:

- all Monash University staff, and to contractors and third-parties operating on behalf of Monash University.
- all expenditure at Monash University Australia and Monash University Malaysia, regardless of funding source and including the following types:
    - Purchase orders
    - Contracts
    - Contractor agreements
    - Letters of intent
    - Heads of agreement
    - Memorandum of understanding
    - Commitments or agreements

For the purpose of this policy, references to Monash University Australia include activity at the Monash University Prato Centre and Monash Suzhou.

POLICY STATEMENT

All procurement activity undertaken on behalf of Monash University (the University) is required to demonstrate that the spending of University funds is conducted in a lawful, honest, competitive, fair and transparent manner that achieves the best value for money and protects the University's reputation. Goods and services procured must be fit for purpose and sourced in a socially and ethically responsible manner, and take into account required specifications, quality, service, delivery, reliability, probity, and the Total Cost of Ownership (TCO).

The University has established an approach to facilitating procurement activity that fulfils these principles and requirements. All staff who engage in procurement activity must adhere to the processes as set out in this Policy and the Procurement Procedure.

1. Purchase Orders

1.1. Purchases from all suppliers must be covered by an official Monash University Purchase Order, with the following exemptions:
  1.1.1. where a direct invoice process has been put in place by Monash University Accounts Payable or Monash University Malaysia; or
  1.1.2. the purchase is made with cash or with a University corporate credit card, in accordance with the University's Corporate Credit Card and Reimbursement Policy.

1.2. All Purchase Orders must be requested and approved prior to the delivery of goods and services, and prior to any payment being made.

1.3. Staff must have the appropriate authorised financial limit and contract signing delegation prior to entering any contractual agreement for the procurement of goods and/or services.

2. Suppliers

Approved Suppliers

2.1. An approved supplier or a panel of approved suppliers may be appointed pursuant to a competitive process, in accordance with the Procurement Procedure.

2.2. Where an approved supplier(s) is in place, the threshold value requirements set out in Tables 1 and 2 do not apply.

2.3. An approved supplier(s) must be used unless they are unable to supply the specified goods or services, as and when required.

2.3.1. Where an approved supplier(s) is unable to supply the specified goods or services, an exemption must be sought and approved in accordance with the Procurement Procedures prior to engaging the broader market.

Sole Suppliers

2.4. Where there is a sole supplier, the threshold value requirements set out in Tables 1 and 2 do not apply. An exemption must be sought and approved in accordance with this policy prior to making a commitment to a sole supplier.

Contractors and Labour Hire

2.5. Where Monash University Australia procures services through a labour hire arrangement, the labour hire provider must be licensed under the Victorian Government's Labour Hire Licensing Scheme. For more information on engaging a labour hire worker on behalf of Monash University Australia, staff should refer to the University's Labour Hire Licensing intranet page.

2.6. Engagement with service providers in providing labour hire at Monash University Malaysia is required to comply with any licensing or legislative requirement as outlined in the agreement terms and conditions.

Indigenous Businesses

2.7. Where the procurement of goods or services is from a recognised Indigenous business, the three documented quotes requirement set out in Table 1 does not apply. The University recognises businesses that are registered with Supply Nation or with the Kinaway Chamber of Commerce.

2.8. Where additional review is required, the Office of the Deputy Vice-Chancellor (Indigenous) must be engaged for support and advice.

3. Threshold Values and Processes

3.1. Procurement activities that contain an Information Communication and Technology (ICT) component require endorsement from the Chief Information Officer or delegate(s) at Monash University Australia or the Director, Information Technology or delegate(s) at Monash University Malaysia.

3.2. Procurement activities that contain a property/leasing component require endorsement from the Executive Director, Buildings and Property Division or delegate(s) at Monash University Australia.

3.3. Where there is no Approved Supplier(s), the Threshold Value requirements set out in Tables 1 and 2 must be satisfied.

3.4. The Threshold Values are to be applied on the anticipated total expenditure, accumulated over the total term of the contract, are in local currency and are exclusive of Goods and Services Tax (GST), sales tax, service tax or other applicable duties or taxes.

3.5. Documented evidence of the requirements and assessment of value for money must be submitted with the request for a Purchase Order.

3.6. The requirements for demonstrating a competitive, fair and transparent process and the corresponding values at which the thresholds apply are set out as follows:

TABLE 1: Monash University Australia - Threshold Values excluding GST (for the full contract term)

Type of Purchase	Threshold Value (AUD)	Requirements
One Quote	$0 - $50,000.00 (inclusive)	Minimum 1 documented quotation
Three Quotes	$50,000.01 - $400,000.00 (inclusive)	Minimum 3 documented quotations
Strategic Sourcing	$400,000.01 and above	Tender Process

TABLE 2: Monash University Malaysia - Threshold Values excluding sales tax or service tax (for the full contract term)

Type of Purchase	Threshold Value (MYR)	Requirements
One Quote	RM0 - RM19,999.99	Minimum 1 documented

		quotation
Three Quotes	RM20,000 - RM299,999.99	Minimum 3 documented quotations
Strategic Sourcing	RM300,000 and above	Tender Process

3.7. An exemption to the Thresholds and Processes requirements is not needed for the following goods and/or services, and as such these are deemed exempt from the requirements set out at Tables 1 and 2. For the avoidance of doubt, each of the following activities are required to demonstrate value for money and require approval from the relevant delegate(s):

3.7.1. debt and capital raising facilities;

3.7.2. leasing of land and/or buildings on behalf of the University;

3.7.3. payments relating to research grants (e.g. to universities, hospitals and/or medical research institutes);

3.7.4. wages and other associated on-costs (e.g. tenancy arrangements with hospitals and/or medical research institutes);

3.7.5. third-party payments where the University novates the procurement to another entity under contract; and

3.7.6. engagement of adjuncts or contractors to deliver executive education programs up to a value of $100,000 in any one calendar year, in accordance with the Adjunct Appointment Procedure and only with prior written approval from the Chief Human Resources Officer for Monash University Australia, and for executive education programs of a value greater than RM20,000 only with prior written approval from the Pro Vice-Chancellor for Monash University Malaysia.

4. Exemptions to the Thresholds and Processes

4.1. Where the standard procurement thresholds and processes are deemed to be not applicable, an exemption to the Procurement Policy and/or Procedure may be granted to:

4.1.1. use an alternative to an approved supplier or a panel of approved suppliers;

4.1.2. use an alternative to the Threshold Value requirements;

4.1.3. use a sole supplier; or

4.1.4. renegotiate to extend an existing agreement without conducting a quotation or tender process.

4.2. A request for an exemption must also meet one or more of the following categories:

4.2.1. the approved supplier or panel of approved suppliers cannot supply the goods and/or services required;

4.2.2. demonstrated unique technical requirements with only one sole supplier in the market;

4.2.3. standardisation of existing goods or services;

4.2.4. time-critical events that have been caused by unforeseen circumstances; and/or

4.2.5. other exceptional circumstances based on business necessity as determined by Strategic Procurement.

4.3. Exemptions to this Policy must be approved by the Chief Financial Officer or delegate(s) for Monash University Australia, and by the Pro Vice-Chancellor or delegate(s) for Monash University Malaysia.

4.4. All requests for an exemption to this policy shall be reported annually by Strategic Procurement to the Audit and Risk Committee for Monash University Australia, and reported annually by the Senior Manager, Procurement to the Executive Management Committee at Monash University Malaysia.

5. Probity and Conflict of Interest

5.1. All University procurement decisions are to be made in a transparent manner that allows them to be understood and justified, and all procurement activities must reflect the following principles through all stages of the procurement process:

- open competitive processes;
- fairness, consistency and transparency;
- identification and resolution of conflicts of interest;
- accountability in decision making; and
- monitoring and evaluating performance.

5.2. Any perceived, potential or actual conflict of interest in the purchase of goods or services must be acknowledged and managed in accordance with Monash University Australia's Conflict of Interest Procedure and/or the Gifts, Benefits and Hospitality Procedure, and Monash University Malaysia's Fraud and Corruption Business Rule and Acceptance of Gifts, Benefits and Hospitality Procedure.

5.3. Individuals actively involved in a tender process must not accept any hospitality, meals, participation at events (whether paid or not paid), or gifts, including items of a trivial or seasonal nature (eg. promotional calendars, diaries, pens etc) from a party related

to the tender. Solicitation or acceptance of gifts, benefits and hospitality during a tender process creates conflict of interest and a perception of unfair treatment.

5.4. All Procurement and Monash University Australia Finance Operations staff must complete an annual Conflict of Interest declaration, and also declare any conflicts of interests immediately as they may arise. The Director of each respective area must ensure compliance to this requirement.

6. Document Retention

6.1. Document retention assists in ensuring conformity to processes, accountability, preserving confidence in University processes, and will improve defensibility of procurement decisions.

6.2. Document retention is to be undertaken in accordance with the University's Recordkeeping Policy, and Strategic Procurement documents are to be retained for the following periods:

- Competitive tender documents (e.g. Request for Tender documents) and successful bidder responses: 7 years after the date of the contract (if no contract is awarded, no retention period applies).
- Competitive tender responses from unsuccessful tenderers: 3 years after submission.
- Contract documents: 7 years from contract expiry.
- Contract management records: 7 years from date of record.

7. Breach of Policy

7.1. The University treats any breach of policies or procedures seriously. The University encourages reporting of concerns about non-compliance and manages compliance in accordance with the applicable Enterprise Agreement or contract terms.

7.2. Any apparent or material breach of this policy may be reported to the relevant body, as follows:

- Monash University Australia: Director, Strategic Procurement in the first instance.
- Monash University Malaysia: Director of Finance and Procurement and/or the Executive Management Committee.

DEFINITIONS

Approved Supplier(s)	A Supplier or Suppliers appointed as a result of a policy compliant procurement process in accordance with this policy and for which there is a written agreement between the University and the Supplier to supply specified goods and/or services at agreed terms.
Direct Invoice	An invoice processed by the University without there being an initiating Purchase Order issued. Direct Invoices are allowed for a limited and select group of goods and/or services where ongoing supply is provided on a regular basis and are normally covered by an overarching contract or agreement. All other invoices require reference to a Purchase Order to finalise settlement with a Supplier.
Environmental Issues	Environmental issues cover all environmental impacts of goods and services from cradle to grave including: reducing the number of goods and/or services purchased; minimising energy, water and materials; recycled, recyclable, biodegradable and reusable components; minimal packaging, maintenance, waste, emissions, chemicals and transportation; and environmentally responsible disposal.
Panel	A Panel includes two or more Approved Suppliers. Panel arrangements mitigate the risk of possible supply or performance problems associated with an individual supplier. They also allow increased value for money benefits through the use of competitive tension where applicable.
Probity	The evidence of ethical behaviour in the procurement process. Defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. A good outcome is achieved when probity is applied with common sense. Probity should be integrated into all procurement planning and should not be a separate consideration. Procurement decisions are to be made in a transparent manner, which allows them to be understood and justified subsequently, and ensure that it is conducted in a lawful, transparent, honest, fair and competitive manner. Risk management of probity in the procurement process requires a higher level of control and mitigation over the procurement process where there is a higher likelihood of exposure to claims about the process. A probity advisor and/or auditor may be appointed to advise on or review the procurement activity.

Procurement Board (Monash University Australia only)	The body established by the University to promote and oversee best practice and objectivity in the processes used by the University to procure goods and services in order to achieve value for the University's expenditure.
Purchase Order	A formal document initiated by the University and forwarded to a Supplier, normally used to form the basis of a one-off contract between the parties for the supply of goods and/or services to the University.
Quotation	An offer to supply goods and/or services, usually in response to an invitation to supply known as a request for quotation.
Social Procurement Issues	Procurement activity that takes into consideration the real or potential impacts associated with the production or sale of goods and/or services including: health, safety, human rights, ethical production, social justice, indigenous businesses, fair trade, diversity, access, and purchasing locally and domestically made goods and/or services.
Sole Supplier	When there is only one possible supplier for the required goods and/or services. This is to be evidenced by an appropriate market analysis and assessment. If there is a dispute about whether or not there is a Sole Supplier the assessment shall be determined by the Director Strategic Procurement, for Monash University Australia. For Monash University Malaysia, the assessment shall be determined by the Director, Procurement and Finance.
Supplier(s)	An entity that is providing or has provided goods and/or services to the University.
Tender Process	Either an open or closed/select Request for Tender. The reasons for either will be defined in the approved sourcing strategy as developed in accordance with the Procurement Procedures. Reasons for a closed/select Request for Tender may include where the University already has considerable knowledge of the goods or services being purchased and has conducted an appropriate market analysis and assessment including a reasonable shortlist of potential Suppliers.
Threshold Value	The value to be applied on the anticipated total expenditure, accumulated over the total term of the contract, in and exclusive of Goods and Services Tax, Sales Tax, Service Tax and any other taxes or duties imposed on or in relation to the goods and/or services. If the term is unspecified then a nominal term of three years is to be used for calculating the Threshold Value.
Total Cost of Ownership (TCO)	Involves all costs associated with ownership and is based on the whole of lifecycle analysis. TCO is calculated over the whole life of the procurement and contract lifecycle. It estimates the accumulated costs of acquiring, operating, maintaining and disposing or decommissioning procured goods or services.
University	For the purpose of this policy and associated procedures Monash University and/or related entities who can acquire goods and/or services under the University's contracts and agreements with suppliers.
Value for Money (VFM)	The achievement of a desired procurement outcome at the best possible price (not necessarily the lowest price) based on a balanced judgement of financial and non-financial factors relevant to the procurement. VFM may take into account the Total Cost of Ownership and a mix of quality, costs and resources, as well as fitness for purpose, timelines and risk.

GOVERNANCE

Supporting procedures	Procurement Procedure Gifts, Benefits and Hospitality Procedure
Supporting schedules	N/A
Associated policies	Corporate Credit Card and Reimbursements Policy Authorised Financial Limits and Contract Signing Delegations Policy Staff Code of Conduct Real Estate Transactions Policy
Related legislation	Labour Hire Licensing Act 2018 (Vic) Financial Management Act 1994 (Vic) Modern Slavery Act 2018 (Cth)

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