

Policy

ATSE

Policy

History

Version

Approval body

Review date

Review body

Administrator

Procurement Policy

Created 2020, Last Reviewed 2023

Approved Board 93 16 November 2023

Governance – Operational

Biennial

Audit and Risk Committee

Director, Operations

Review History

Last reviewed 16 November 2023.

Reviewed November 2021.

Created 2020,

1. Introduction

The Australian Academy of Technological Sciences and Engineering (ATSE) is guided by its values, which are the foundation of how we behave and interact with each other – the Secretariat, the Board, our Fellows, program participants and all internal and external partners, collaborators, and stakeholders. Together our values reflect the priorities of the organisation and provide guidance and a framework in our decision making.

2. Purpose

Procurement is the process of acquiring goods and services. It begins when a need has been identified and a decision has to be made on the procurement requirement. Procurement also includes the areas of risk assessment, exploring alternative solutions, awarding a contract and reporting on the outcomes and service delivery.

Procurement does not include grants, donations, conditional gifts or deeds (refer to Donations, Gifts and Bequests Policy).

Following the award of a contract, the delivery and payment for the goods and services and, where relevant, the ongoing management of the contract and consideration of disposal of goods, are important elements in achieving the objectives of procurement.

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4. General Guidelines

Procurements should deliver the best available quality for the budget, represent value (including financial and non-financial costs), and be fit-for-purpose. Where possible, ATSE will prioritise recruitment from providers certified by Supply Nation as being Aboriginal and Torres Strait Islander-owned. When considering a new procurement, the following should be taken into consideration:

- The scale and scope of the business requirement;
- Resourcing and budget;
- Efficiencies of scale (including under existing arrangements);
- Legal, financial and ethical obligations;
- Minimises the risk for ATSE;
- Maximises the benefits for ATSE;
- Is consistent with ATSE's strategic and/or operational plans; and
- Complies with ATSE's corporate governance structures.

5. Obligations and Requirements

The following protocols will apply in relation to all new procurements (Note: the procurement values stated below are for individual items);

- a. over \$50,000 (excl. GST) minimum of three (3) quotes
- b. Between \$10,000 and \$50,000 (excl. GST) minimum of two (2) quotes.
- c. under \$10,000 (excl. GST) at least one quote is required.

Exceptions to the two- and three-quote minimum may be granted if it can be demonstrated that there is only one provider capable of meeting the requirements of the procurement.

Proposed new procurements must be presented in writing to the Chief Executive Officer (CEO) regardless of value with a recommendation and justification prior to finalising, including:

- a. Purpose of procurement
- b. Budget (within limits of delegated authority)
- c. Identification of risks and appropriate risk management strategies
- d. Evidence of suppliers' relevant experience and performance history, and references
- e. if appropriate
- f. Statement of environmental sustainability of the proposed goods and services
- g. Declaration of any conflicts or relationships with the proposed supplier(s)

Proposed new procurements must be approved in writing by the Chief Executive Officer prior to finalising.

Sign-off on new procurements is subject to ATSE's Financial Authorities and Delegations Policy (refer to policy here - Financial Authorities and Delegations Policy).

No member of staff may sign off on or manage a contract with a related party, or where that member of staff has a conflict of interest.

Contracts must have specified terms, including end dates (this may include an intention to renew at the end date upon agreement of all parties involved).

A review process of all major contracts is to be undertaken for contracts of greater than \$100,000 in value (excl. GST) six months prior to the expiry date of the contract.

At the conclusion of any major contracts (greater than \$100,000 in value), a post-contract review of the contract and whether it was deemed value for money is to be undertaken, and any lessons applied to inform future arrangements.

6. Ethical Behaviour

All ATSE staff must act ethically throughout all stages of the procurement process. Ethical behavior includes:

- Recognising and dealing with actual, potential and perceived conflicts of interest, including potential related party transactions.
- Dealing with suppliers and contractors equitably. This includes seeking appropriate internal and external advice when probity issues arise. Acceptance of any gifts or hospitality benefits from

- potential suppliers and contractors is not acceptable.
- ATSE, and any person acting on its behalf, must not seek to benefit from supplier practices that may be dishonest, unethical or unsafe.
- ATSE and any person acting on its behalf of ATSE must declare any conflicts of interest with respect to procurement practices of any given item or contract. A register of declared procurement conflicts will be maintained by ATSE secretariat.
- If a complaint about procurement is received, ATSE must respond in a timely, equitable, and non-discriminatory fashion.
- All procurements must support ATSE's values on sustainability (refer to ATSE Environmental Sustainability Policy).
- Staff are encouraged to consider Aboriginal and Torres Strait Islander providers when obtaining quotes for goods or services.

7. Accountability and Transparency

ATSE is committed to ensuring accountability and transparency in its procurement activities. All employees and delegates are responsible for the actions and decisions that they take in relation to procurement, and for the resulting outcomes. Employees and delegates must also enable appropriate scrutiny of procurement activity, including:

- Adherence to the ATSE Financial Authorities and Delegations Policy.
- Evidence of a written agreements with suppliers in the form of a contract, a purchase order, an invoice or receipt.
- Maintaining an appropriate level of accurate and precise documentation; contracts are to be entered into the ATSE contract register and saved in an appropriate place in ATSE files (refer to records management section in this policy).
- Ensuring that all processes were followed correctly.
- Evidence that all invoices and purchase orders were paid correctly and on time

8. Risk / Control Measures

In managing agreements across ATSE, the Academy is exposed to the risk of misappropriation or misuse of its funds. In order to minimise this risk, the following control measures are to be taken:

- all agreements will be reviewed in detail by the Chief Executive Officer (CEO) and the Director, Business Operations in conjunction with the relevant Senior Manager (who is the designated primary contact person in the agreement).
- all original executed agreements will be kept in a Contract Register.
- ATSE can enter into an agreement only after the following issues have been addressed:
 - Due diligence checks are performed in relation to the other parties to the agreement (especially if the parties have not transacted with ATSE before);
 - Adequate insurance provisions are in place to protect the ATSE's interests;
 - There is adequate compliance with ATSE's policies and procedures;
 - In the case of contracts, the inclusion of performance management strategies within the terms of the contract, specification of an expiry/termination date and the inclusion of a termination clause.
 - In the case of MOUs, a timeframe is specified after which review of the arrangement should be undertaken;
 - Operational, workload, space or human resources impact assessments are performed;

- Any risks to ATSE’s reputation or any impacts to other potential business suppliers are evaluated;
- The agreements are to be signed in an appropriate form, comply with legal formalities and contain terms and conditions that the ATSE is satisfied with.

9. Responsibilities

The CEO:

- Ensure adherence to this policy and procedure;
- direct the internal reviews of contracts on an ad hoc basis;
- review, approve and execute all contracts, as per the Delegations Policy;
- review, approve and execute all federal funding agreements regardless of value; and
- initiate an investigation into any suspected misuse of funds and provide direction as appropriate.

The Director Business Operations:

- Ensure adherence to this policy and procedure;
- review contracts for acceptable financial terms together with the ATSE CEO;
- maintain the contracts register
- conduct regular reviews of major long-term contracts
- review and provide advice to the ATSE CEO for all contracts;
- assist the relevant Senior Manager managing the contract as appropriate; and
- report to the CEO any likely misappropriation or misuse of funds, and proposed treatments.

The Senior Managers:

- Ensure adherence to this policy and procedure;
- manage contractual activities for all contracts which they have responsibility for and be the primary contact for these contracts;
- consult with the Director, Business Operations on financial and operational matters relating to the contract and consult with the CEO as appropriate; and
- report to the CEO and Director, Business Operations of any likely misappropriation or misuse of funds.

10. Records Management, Storage and Retention

Developing and retaining appropriate records of the negotiation, execution and ongoing monitoring of ATSE’s legal agreements is vital to ensuring that ATSE is aware of its obligations, can protect its interests including possible litigation, maintain corporate memory and for audit and compliance purposes. Consequent, it is the relevant senior manager in charge of the agreement that is responsible for ensuring that these types of agreements are executed and kept.

All original signed agreements should be provided to the Director, Business Operations and will be kept in the ATSE Contract Register.

ANNEX A – Type of Agreements

Agreement:	This term is used where the requirements relate to both legally binding contracts and non-legally binding agreements (e.g. MOUs, letters of intent)
Contract:	This is an agreement between parties intended to have legal significance and involving the transfer of value (that is, financial or some other type of benefit – flowing to the beneficiary of the transaction). Contracts generally articulate business relationships for the acquisition or supply of goods and services, for the exploitation or transfer of intellectual property rights (e.g. licences) or for the provision of funding.
Memorandum of Understanding (MOU):	A document intended to formalise the terms of a relationship, arrangement or understanding between two parties, but is not intended to be legally binding on either party. An MOU possesses moral force only, and is generally a formal, mutually agreed but diplomatic document, setting out principles, strategies and mechanisms for dealing with the common issues of the relationship. It may lead to the development of separate contract with legal intent.
Service Level Agreements (SLA):	A SLA is a contract that defines the type, value and conditions of the outsourcing services to be provided. Typically, SLAs address quality of service conditions, such as response time, availability, speed etc.
Statement/Letter of Intent:	A document signifying genuine interest in reaching a final agreement, conditional upon the results of more detailed due diligence and negotiations.
Subcontract:	A written form of agreement between the main contractor and a third party for the satisfactory performance of services or delivery of material as set forth in the plans and specifications for a specific project.