



**U3A Canberra POLICY No. P130**

<b>Procurement of Goods and Services Policy</b>	
<b>Publication date:</b> 18 September 2024	<b>Applies to:</b> All members
<b>Responsible person:</b> Identified contract manager for each contract.	<b>Scheduled review date:</b> Every three years as determined by the Committee
<b>Approved by:</b> Committee meeting on 9 September 2024	<b>Author:</b> Graeme Swift (Treasurer), Louise Morauta (Facilities Manager)

## **INTRODUCTION**

U3A-ACT Inc. (U3A) Objects and Rules require the Committee to control and manage the affairs of U3A (Rule 14).

Committee members have obligations under the *Associations Incorporation Act 1991* (sections 65 and 65A) to disclose any material personal interest in a matter being considered by the Committee and not be present while the matter is being considered by the Committee. The interest must also be disclosed at the next U3A Annual General Meeting.

## **PURPOSE**

This policy sets out a consistent approach by U3A to:

- The establishment and management of contracts for services, other than minor services
- the procurement of minor, one-off services, such as purchase of cinema or theatre tickets, bus tickets
- the procurement of goods and
- ensure procurements adhere to best practice principles, deliver value for money for the membership and meet legal requirements.

This Policy does not apply to tours and other related activities. The procedures for these activities are covered by the Walks and Tours Policy.

This Policy is to be read in conjunction with, and subject to, the Financial Commitments and Payments Policy.

This policy has four attachments:

**Attachment A**      Flow Chart for Open Tender

**Attachment B**      Flow Chart for Select Tender

**Attachment C**      Flow Chart for Direct Procurement from a Single Supplier

**Attachment D**      Sample Contract Templates.

There is an annual List of Current Contracts which may be obtained by members on request to the Secretary.

## **DEFINITIONS**

*Authorised member:* A person identified in the Register of Members as authorised to make financial payments and commitments on behalf of U3A under the Financial Commitments and Payments Policy.

*Contract for services:* An agreement (other than for minor services) under which another person or organisation provides services to U3A in return for payment (such agreements may also be named a “services agreement” or “contractors agreement”).

*Depreciable asset:* An item of enduring value to U3A with an initial purchase price to U3A (including delivery and installation costs but less GST) of \$1,000 or more.

*Minor services:* Low-cost services, where the terms of supply are completely set by the suppliers, for example, theatre/cinema tickets or bus hire, and where no contract is signed (the services equivalent of off the shelf consumable goods).

*Procurement:* The act of committing U3A funds for the purchase of goods and services.

*RFT:* Request for Tender document.

## **POLICY**

### **All Procurements**

1. All procurement on behalf of U3A must be undertaken:
  - a. In a manner that is free from personal interest or any perception of personal interest in the procurement
  - b. in a way that provides fair and reasonable access to potential suppliers to U3A business
  - c. in a way that demonstrably represents good value for money for U3A.

### **Procurement - Goods and Minor Services**

2. The environmental impact of procured goods should be considered before purchase, and where possible, those that have the least environmental impact over the life cycle should be selected, while giving priority to the requirements of paragraph 1.
3. All procurements must be initiated and approved by a person who appears on the Register of Members as authorised to make financial payments and commitments on behalf of U3A. (See **Attachment A** to the U3A Financial Commitments and Payment Policy P70).
4. Authorised members making procurement commitments must ensure they do not contravene any existing contracts between U3A and a supplier, for example, a

contract which says that all services of a certain type must be procured from that supplier.

5. All procurements with an estimated cost of \$2,000 or more must be approved by the Committee. [In urgent cases, emailed authority of 3/5 committee members might be warranted - see Financial Commitments and Payment Policy P70]
  6. An authorised member should seek three written quotes, or consider the advertised prices of three different suppliers, for any procurement with an estimated cost of \$1,000 or more.
    - a. The requirement for three quotes or three advertised prices does not apply to procurement where there is in practice only one supplier or only one convenient supplier.
  7. An authorised member must not divide the cost of a proposed procurement into separate transactions for the purpose of bringing it below:
    - a. the \$2,000 threshold for Committee approval under paragraph 5
    - b. the \$1000 threshold under paragraph 6 or
    - c. the limit of a financial delegation under the Financial Commitments and Payments Policy.
- 7.1 Dividing the cost of procurement means, for example, splitting the acquisition of goods or services valued at \$1,800 into two separate procurements so as fall under the threshold set by paragraph 6, making it unnecessary to seek three written quotes or consider the advertised prices of three different suppliers.
8. All formal contracts signed on behalf of U3A must be filed in the Central Electronic Repository (CER). Any commercial-in-confidence documents related to the selection of the final provider should be filed in the CER for seven years. Invoices and warranty information (if relevant) related to the procurement of depreciable assets should be kept by the Treasurer as scanned documents in the asset management system for the allocated depreciation and nominated warranty periods.

### **Procurement - Contracts for Services**

9. All U3A contracts for services must have prior approval from the Committee to:
  - a. commence the procurement process
  - b. to enter into the contract.
10. A formal signed contract is only required where the nature of the services required, or the terms on which the services are purchased, are not included in the normal terms of business of the supplier.
11. Where the estimated value of a contract for services is \$20,000 or more, the contractor will be selected by a public approach to possible suppliers using an RFT (see **Attachment A**).
12. Where the estimated value of a contract for services is less than \$20,000, in approving a procurement process the Committee will determine whether the contractor will be selected by one of the following:

- a. a select tender through direct approach to more than one known supplier where alternative suppliers are available (see **Attachment B**) or
  - b. direct procurement from a single supplier where there is only one reasonably available supplier (see **Attachment C**).
13. When approving a procurement process the Committee will appoint a contract panel to manage the contract process.
- a. The panel will consist of at least one Committee member, who will chair the panel, and at least one other U3A member (not necessarily a Committee member) preferably with expertise or experience relevant to the services being sought,
  - b. panel members will be required to declare themselves unavailable if they have a material personal interest in a proposed contract for services and
  - c. the panel will follow the processes outlined in the paragraphs below and summarised in the flow charts at either **Attachments A, B or C** when developing and managing a contract.
14. The contract panel will submit a proposal to seek a supplier under a contract for services to the Committee for approval. This proposal must include:
- a. a general statement about the purpose of the contract
  - b. the format and documentation with which the contract will be publicised
  - c. the cost parameters
  - d. the expected level of insurances required of a successful tenderer (if applicable)
  - e. the timeframes for completing the tender process
  - f. the outcomes/services/products that the successful contractor will be expected to deliver
  - g. the proposed contract manager and
  - h. monitoring processes for contracts with an estimated value of \$20,000 or more.
15. The Committee will approve a contract manager who will oversee the implementation of the contract after it has been signed.
- a. This person may be a panel member.
16. The panel must obtain the Committee's approval of the preferred provider and the contract before any contract is signed or agreement entered into.
17. A contract will be signed by the proposed supplier and U3A.
- a. The contract will take a form appropriate to the nature of the services to be provided, namely whether they are professional services or other services (preferred templates are at **Attachment D**).

- b. All significant contracts, taken to be those contracts requiring Committee approval, must be signed by two office holders of U3A.
18. For contracts for services with an estimated value of \$20,000 or more, the contract manager will provide progress reports on the service delivery to the Committee on a regular basis.
- a. The Committee will determine what 'regular' means in relation to a particular contract.
19. Contractors will provide their invoices to the contract manager who will verify that the services have been satisfactorily provided and forward the invoice and verification to the Treasurer for payment.
20. A contract for services may not be varied without the prior approval of the Committee.
21. Where possible, the following provision should be included in a contract for services:
- a. If a dispute arises between U3A and the contractor in relation to a contract, both parties will use best endeavours to resolve the dispute. If U3A and the contractor cannot resolve the dispute, the parties will submit the dispute to a mediator registered in the ACT for mediation. Both parties agree to attend the mediation and to pay half the costs of such mediation.
22. The list of current contracts will be reviewed and revised when a new contract is entered into or an existing contract comes to an end.

## **SOURCES**

*Associations Incorporation ACT 1991*

U3A-ACT Inc. Objects and Rules

U3A-ACT Inc. Financial Commitments and Payments Policy

U3A-ACT Inc. Asset Management Policy

## Flow Chart Contract Development and Management

### Open Tender

#### Defining and Advertising the Tender

- Step 1** The Committee approves the need for a contract, that an open tender is required and the Committee appoints the contract panel.
- Step 2** The Contract panel develops a proposal and all documentation, including a recommendation on a contract manager, for consideration by the Committee.
- Step 3** The Committee approves proposed process, documentation and the contract manager.
- Step 4** RFT advertised publicly.

#### Deciding the successful tenderer

- Step 5** The Panel assesses whether tenders are compliant with the RFT.
- Step 6** Panel assesses compliant tenders against RFT criteria, including through the use of interviews for one or more tenderers. Panel may negotiate with one or more tenderers on terms and conditions.
- Step 7** The Panel recommends the preferred tenderer and contract terms to the Committee. The Committee decides on preferred tenderer and contract terms.
- Step 8** Successful tenderer notified and contract signed. Unsuccessful tenderers notified.

#### Implementing and monitoring the contract

- Step 9** The successful contractor briefed and introduced to the contract manager.
- Step 10** The Contract manager oversees contractor's work to ensure the services are being delivered according to the contract.
- Step 11** The Contract manager verifies contractor's work for payment and provides reports as required to the Committee.

**Flow Chart Contract Development and Management**

**Select Tender**

**Defining and Distributing the Tender**

- Step 1** The Committee approves the need for a contract, that a select tender is required and appoints the contract panel.
- Step 2** The contract panel develops the proposal and all documentation, including a recommendation on a contract manager, and the potential tenderers to whom the RFT will be sent, for consideration by the Committee.
- Step 3** The Committee approves the proposed process, documentation and the contract manager.
- Step 4** The RFT is sent to identified potential suppliers.

**Deciding the Successful Tenderer**

- Step 5** The panel assesses whether tenders are compliant with the RFT.
- Step 6** The panel assesses compliant tenders against the RFT criteria, including through the use of interviews for one or more tenderers. The panel may negotiate with one or more tenderers on terms and conditions.
- Step 7** The panel recommends a preferred tenderer and contract terms to the Committee which decides on the preferred tenderer and contract terms.
- Step 8** The successful tenderer is notified and the contract is signed. Unsuccessful tenderers are notified.

**Implementing and Monitoring the Contract**

- Step 9** The successful contractor is briefed and introduced to the contract manager.
- Step 10** The contract manager oversees the contractor's work to ensure the services are being delivered according to the contract.
- Step 11** The contract manager verifies the contractor's work for payment.

**Flow Chart Contract Development and Management**

**Direct Procurement From a Single Supplier**

**Defining and Communicating the Requirement**

- Step 1** The Committee approves the need for a contract, that direct procurement from a single supplier is required, and appoints the contract panel.
- Step 2** The Contract panel develops a brief description of the requirements, all other documentation required, including a recommendation on a contract manager, for consideration by the Committee.
- Step 3** The Committee approves the proposed process, documentation and contract manager.
- Step 4** Details of the requirements are sent to the identified potential supplier.

**Reaching Agreement with the Supplier**

- Step 5** The panel assesses whether a supplier's proposal is satisfactory, including if required through interviewing and negotiating with the supplier.
- Step 6** The panel recommends contract terms to the Committee which approves the contract terms.
- Step 7** The supplier notified and the contract signed.

**Implementing and Monitoring the Contract**

- Step 8** the supplier is briefed and introduced to the contract manager.
- Step 9** The contract manager oversees the contractor's work to ensure the services are being delivered according to the contract.
- Step 10** The contract manager verifies the contractor's work for payment.



**Contract for Professional Services**

<p><b>1. Entity requiring the services:</b></p> <p>U3A-ACT Inc ABN: 35 234 986 878</p>	<p><b>2. Contractor:</b></p> <p>ABN: Person providing the services if different from above:</p>
<p><b>3. U3A-ACT Inc Contact:</b></p> <p>Name: Tel: Email: Mail address: Hughes Community Centre, 2 Wisdom Street, Hughes, ACT 2605</p>	<p><b>4. Contractor Contact:</b></p> <p>Name: Tel: Mob: Email: Mail address:</p>
<p><b>5. Services:</b></p> <p>See attached brief</p>	<p><b>6. Term:</b></p> <p>Commencement date: Completion date:</p>
<p><b>7. Fee:</b> \$</p> <p>Is GST payable on this fee?</p>	<p><b>8. Location:</b></p>
<p><b>9. Hours:</b></p>	<p><b>10. Contractor's Insurance:</b> TYPE: COVER Public liability: Professional indemnity:</p> <p>(Documentation to be supplied to U3A-ACT Inc Inc before contract signed)</p>
<p><b>SIGNED FOR U3A-ACT INC</b> Name &amp; Office held:  Signature:  Name &amp; Office held:  Signature:  Date:</p>	<p><b>SIGNED FOR CONTRACTOR BY</b> Name and Title:  Signature:  Date:</p>

## **Terms of Agreement**

### **1. Engagement & Term**

U3A engages the Contractor to provide the services described in box 5 during the Term described in box 6 at the location described in box 8.

### **2. Fee and payment**

The fee and payment described in box 7 will be paid in the manner described in box 7 on receipt of a tax invoice detailing hours worked and approved expenses incurred.

### **3. Contractor's obligations**

3.1 The Contractor agrees with U3A to:

- perform its obligations under this agreement in a competent and professional manner
- ensure that the services are provided or the contract completed in a timely manner
- comply with any reasonable requests by U3A in relation to the provision of the services
- comply with all relevant legal requirements at its own expense..

3.2 Where the Contractor requires access to U3A premises, access will be available during the hours stated in box 9 or at such other reasonable times as agreed by the parties.

3.3 When accessing U3A premises, the Contractor agrees to comply with the policies of U3A, including those in relation to occupational health and safety.

### **4. Indemnity**

The Contractor is liable for and shall indemnify U3A- against any claims in respect of any injury or damage whatsoever to property whether real or personal insofar as that injury or damages arises out of or in the course of or by reason of the Contractor's performance whether negligent or otherwise of its obligations under this agreement.

### **5. Insurance**

The Contractor must take out and maintain those insurance policies specified in box 10.

### **6. Confidentiality**

6.1 The Contractor agrees to keep the Confidential Information of U3A confidential and without the prior written consent of agree not to:

- use the information other than for the purposes of the agreement
- directly or indirectly disclose the information to any third party, beyond those reasonably involved in the agreement on a need to know basis.

6.2 For the purpose of this clause, "Confidential Information" means any information designated by U3A as confidential, or which is by its nature confidential and includes information existing prior to commencement of this agreement or created in the course of this agreement. No information will be regarded as confidential if it:

- is already in the public domain
- is received by the Contractor from a third party who is lawfully in possession and has the power to disclose the information
- becomes available to the Contractor by any means other than a breach of this agreement by the Contractor.

## **7. Intellectual Property**

Nothing in this agreement alters the Contractor's ownership of any intellectual property it owned prior to this agreement. U3A will own all materials delivered ("the Materials") and all intellectual property created by the Contractor in performing its obligations under this agreement. The Contractor agrees to supply U3A with the Materials on termination of this agreement.

## **8. Moral Rights**

8.1 To the extent permitted by law, if the Contractor is the owner of Moral Rights in any of the Materials, the Contractor unconditionally and irrevocably consents to any act or omission that would otherwise infringe the Contractor's Moral Rights in the Materials and in particular consents to the following acts:

- any use of the Materials that does not identify the Contractor
- any use of the Materials that may falsely attribute authorship of the Materials to any other person
- any alteration or deletion to the Materials by U3A- for the purpose of exercising its rights under this agreement.

8.2 For the purposes of this clause, "Moral Rights" means rights of integrity of authorship, rights of attribution of authorship, rights not to have authorship falsely attributed, and rights of a similar nature conferred by statute that may exist in the Materials.

## **9. Termination**

U3A may terminate this agreement by notice in writing to the Contractor if the Contractor is in breach of a term or condition of this agreement and the breach is not remedied within 14 days of service on the Contractor of a written notice specifying the breach and requiring it to be remedied. Such termination will be without prejudice to any other right or action U3A Inc may have against the Contractor.

## **10. No assignment**

This agreement cannot be assigned without the consent of the other party.

## **11. Relationship**

Nothing in this agreement constitutes a relationship of partnership or of employer and employee between the parties and the parties expressly deny any such relationship.

## **12. Conflict of interest**

12.1 The Contractor will disclose in writing any conflict of interest that exists or arises during the term of the contract.

12.2 The Contractor will comply with any reasonable direction from U3A to manage or avoid a conflict of interest.

12.3 The Contractor shall not hold financial membership of U3A during the period of this Contract.

## **13. Law and Jurisdiction**

13.1 This agreement is governed by the laws of the ACT.

13.2 Each party submits to the non-exclusive jurisdiction of the ACT courts.

## **14. Disputes**

If a dispute arises between U3A and the contractor in relation to this contract, both parties will use best endeavours to resolve the dispute. If U3A and the contractor cannot resolve the dispute, the parties will submit the dispute to a mediator registered in the ACT for mediation. Both parties agree to attend the mediation and to pay half the costs of such mediation.

## **15. Other Matters**

[Matters as required]

## **16. Terms of agreement**

This agreement consists solely of these terms numbered 1 through to 16 and the contents of the boxes overleaf.



**Contract to Supply Services Other than Professional Services**

I/we the Contractor.....(insert legal name of business and ABN)

Of.....(Insert address for correspondence)

Agree to supply to U3A-ACT Inc the services at the identified amount as specified on the attached quote. Both parties are to sign and date attached quote.

For the period commencing :.....(insert date)

Until .....(insert end date)

The U3A-ACT Inc. contract manager is:

Name.....

Contact details.....

<b>SIGNED FOR U3A-ACT INC:</b>
<b>Name &amp; Office held:</b>
<b>Signature:</b>
<b>Name &amp; Office held:</b>
<b>Signature:</b>
<b>Date</b>

<b>Signed on behalf of contractor</b>
<b>Name and Title</b>
<b>Signature</b>
<b>Date</b>