



U3A-ACT Policy Number: PO201514

| <b>Procurement Policy</b>                          |  |
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| <b>Publication date:</b> 1 May 2018                | <b>Applies to:</b> All members   |
| <b>Responsible person:</b> Treasurer               | <b>Scheduled review date:</b> At least once every three years as determined by the Committee |
| <b>Approved by:</b> Committee meeting 9 April 2018 | <b>Author:</b> POTC  |

## INTRODUCTION

U3A-ACT Inc. Rules require the Committee to *control and manage the affairs of the association* (Rule 14.) This policy is made under the By-law for *Financial Commitments and Payments*

## PURPOSE

This policy is designed to guide the procurement of goods by U3A-ACT Inc. and any services that do not require contracts and are not covered by the Contracts for Services Policy. The policy ensures processes are conducted in a transparent manner that delivers good value for money.

## DEFINITIONS/KEY WORDS

**Authorised member:** a person identified in the Register of members authorised to make financial payments and commitments on behalf of U3A-ACT Inc. under the *Financial Commitments and Payments Policy*.

**Procurement:** the act of committing U3A-ACT Inc. funds for the purchase of goods and services covered by this policy. Procurement may be for a single item (eg a computer) or for a set of items related to a particular event or function (eg catering for a function, general office supplies)

**Exclusions:** This policy does not apply to Tours and other related activities. The procedures for these activities are covered by the Tours and Related Activities Policy.

## POLICY

1. This policy applies to the procurement of goods by U3A-ACT Inc. and the procurement of services that occurs outside U3A-ACT Inc.'s *Contracts for Services Policy*. This means that the policy applies to services where the terms of procurement are completely set by the suppliers (things such as theatre tickets or

bus hire) and no contract is required. In these cases, the only decision to be made is whether or not this is the good or service to be purchased.

2. This policy must be read in conjunction with the following U3A-ACT Inc. policies:
  - 2.1. PO20141: *Financial Commitments and Payments Policy*
  - 2.2. PO20146: *Contracts for Services Policy*.
3. All procurement on behalf of U3A-ACT Inc. must be undertaken:
  - 3.1. consistent with PO20141: *Financial Commitments and Payments Policy*
  - 3.2. in a manner that is free from personal interest or any perception of personal interest in the procurement
  - 3.3. in a way that provides fair and reasonable access to potential suppliers to U3A business; and
  - 3.4. in a way that demonstrably represents good value for money for U3A.
4. The environmental impact of procured goods should be considered before purchase and where possible those that have the least environmental impact over the whole life cycle should be selected, while giving priority to the requirements of paragraph 3 above.
5. All procurements must be initiated and approved by a person who appears on the *Register of members authorised to make financial payments and commitments on behalf of U3A-ACT. (See Attachment A of the U3A-ACT Inc. Financial Commitments and Payment Policy.)*
6. Members entering into procurement commitments must ensure that they do not contravene any existing contracts between U3A-ACT Inc. and a supplier, for example, a contract which says that all services of a certain type must be procured from that supplier.
7. All procurements with a value exceeding \$ 2,000 must be approved by the Committee.
8. An authorised member should seek three written quotes or consider the advertised prices of three different suppliers for any procurement that is expected to exceed \$1000 in total.
  - 8.1. 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.
9. An authorised member must not divide the value of a procurement activity into separate transactions for the purpose of bringing it below:
  - a. the \$1000 threshold in paragraph 8
  - b. the threshold at which a financial delegation limit applies
  - c. the \$ 2,000 threshold for which committee approval is required.
  - 9.1. *Dividing the value of procurement activity means* for example, splitting the cost of a \$3000 service into three \$1000 payments so that it appears to come within the threshold in paragraph 8, and does not need quotes.
10. Documents related to the procurement of goods of a capital nature worth \$400 or more should be kept by the Treasurer as scanned documents in the Central Electronic Repository (CER) for seven years

## **SOURCES**

- ACT Associations Incorporation Act 1991

- U3A-ACT Inc. Rules.
- U3A-ACT Inc.: *By-law for committing Financial Commitments and Payments*
- U3A-ACT Inc. *Contracts for Services Policy*
- U3A-ACT Inc. *Financial Commitments and Payments Policy*

## REFERENCES

<http://www.policy.monash.edu.au/policy-bank/management/finance/procurement-policy.html>

<http://www.gsu.uts.edu.au/policies/procurement.html>

<http://sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/40&RendNum=0>