

Contents

1.	INTRODUCTION	3
2.	PURCHASING THRESHOLDS and DELEGATIONS	3
3.	CERTIFICATES OF EXEMPTION FROM PUBLIC TENDERING	4
4.	PLANNING THE PROCUREMENT.....	5
5.	TENDER DOCUMENTATION.....	6
6.	ISSUE OF TENDERS	7
7.	TENDER AMENDMENTS	7
8.	RECEIPTING OF TENDERS	7
9.	TENDER BOARD.....	8
10.	TENDER VALIDITY PERIOD.....	8
11.	TENDER EVALUATION.....	8
12.	VALUE SELECTION - WEIGHTED POINT SCORE SYSTEM	9
13.	RECOMMENDATION	9
14.	ADVICE OF TENDER RESULTS TO SUPPLIERS	10
15.	PROBITY AUDIT.....	10

Purpose

The Tendering and Quotation processes are to support the Charles Darwin University's educational training, research programmes and strategic goals by effective acquisition of goods and services and by encouraging efficient deployment of resources. This guideline, which by its nature incorporates some procedural elements, provides for cost effective procurement and a fully auditable due diligence trail.

Glossary of Terms

“Audit” – includes the inspection, investigation, examination or review of accounts, systems and processes undertaken to provide supplies to the University.

“Certificate of Exemption” – a Certificate exempting the requirement to follow the Guidelines in relation to Public Tenders or requirements for seeking Quotations.

“Contractor” – the supplier who undertakes to supply as provided by the contract; and where the contractor is a partnership or a company, the expression shall include the representatives of the partnership or company as is the case.

“Period Contract” – means the range of contract types including:

“Standing Offer” - where the University is party to, or has access to a contract with suppliers for the provision of an undefined volume of supplies, under agreed pricing conditions, over a set period. This form of contract is not binding on either party until an order is placed for specific quantities and acknowledged.

“Panel Period Offer” - as per the “Standing Offer” except that a number of suppliers are selected to provide the same supplies to the University.

“Probity” is the evidence of ethical behaviour in a particular process.

“Tender” – the offer made in response to a notice given to prospective suppliers requesting proposals for supplies, whether that notice is given publicly or selectively, in writing or verbally. These are sometimes referred to as quotations.

“Tenderer” – means a supplier who has submitted an offer to provide supplies to the University.

“Tender Committee” – the Committee consisting of senior officers of the University and two external members of Council which reviews tenders, expressions of interest, certificates of exemption and other means of procurement at the University.

“Sub-contractor” – a free agent who tenders for work and may work for many contractors simultaneously. In so doing, a sub-contractor is a separate entity subject to all obligations of a contractor.

Form BG64 – Standard University Request for Quotation and Conditions of Contract document.

1. INTRODUCTION

The Charles Darwin University Tender and request for Quotations guidelines are based upon the following fundamental principles:

- Open and effective competition
- Value for money
- Enhancing the capabilities of local business and industry
- Environmental protection
- Ethical behaviour and Fair dealing
- Support fundamentals of Free Trade Agreements

Responsibility for ensuring operational adherence to the Guidelines and their associated strategies is vested in individual Faculties and Departments with over-sighting by the Procurement Office, Finance and Asset Services.

The strategies developed are based upon obtaining specific requirements through any one of the following methods:

- Supply Quotation;
- inviting Requests for Proposals
- inviting Tenders publicly;
- inviting Tenders selectively; or
- utilising an Existing Period Government Contract.

2. PURCHASING THRESHOLDS and DELEGATIONS

2.1 Purchasing thresholds are as follows:

\$0 but less than \$1,000

At least one verbal quotation is to be obtained.

\$1,000 but less than \$5,000

At least one written quotation is to be obtained.

\$5,000 but less than \$10,000

A minimum of three quotations must be requested, which may be verbal; however, written confirmation is required from the preferred supplier prior to acceptance.

Should the minimum number of quotations not be obtained, the associated documentation must detail the reasons why.

\$10,000 but less than \$100,000

A minimum of three quotations must be requested- all of which must be in writing.

\$100,000 and above

Must be formally and publicly advertised as a Tender.

2.2 Financial delegations for the approval of offers are given in the List of General Delegations.

3. CERTIFICATES OF EXEMPTION

For purchases with a potential value of greater than \$100,000 a **Certificate of Exemption** is required to allow the seeking of Tenders from selected Supplier(s) without the need to invite by public advertisement.

Whilst there is no stipulation as to a minimum number of Tenders to be sought, due regard must be given to the number of potential suppliers available to ensure that whenever possible, competitive Tenders are obtained. Where only a single Tender is being sought, Cost Centres will need to clearly demonstrate that the reasons for such a selection will be defensible.

When Tenders are confined to one supplier, the Procurement Manager and the major stake holder client must satisfy themselves that the proposed prices are reasonable.

For purchases with a potential value of greater than \$10,000 but less than \$100,000 a [Certificate of Exemption](#) is required when three quotations have not been requested.

Appropriate reasons for approving a Certificate of Exemption include:

Due to the urgency with which the supplies are required, if appropriate planning had been undertaken;

The required supplies are available from a single source in the Northern Territory. This need to be certified by documentation from the NT Industry Capability Network

The desirability for the standardisation of supplies;

The need is limited to spare parts for a particular item;

The compatibility with existing supplies;

Only one, or a limited number, of suppliers are recognised as having the necessary managerial/technical expertise or Quality Assurance certification to undertake the provision of supplies. This need to be certified by documentation from the NT Industry Capability Network for Northern Territory suppliers;

The number of Tenderers to be invited to submit an offer is to be limited whilst still retaining competitiveness (I.E. Not invite Tenderers from all known sources or all those pre-qualified in a category); or

a decision has been made to procure second-hand supplies.

It is emphasised that each request for a Certificate of Exemption must be treated on its merits. Care must be taken to ensure that reasons are based on current knowledge.

Urgency due to failure to properly plan a project, remoteness of the work site and presumed limited availability of contracting potential are not of themselves sufficient grounds for the departure from inviting public Tenders.

Due regard must be given to the six principles of the Tender guidelines when selecting potential suppliers and in the assessment of offers received.

Applications for a [Certificate of Exemption](#) from Public Tenders and for exemptions, from the requirement to obtain three written quotations for goods and services valued at >\$10,000 but <\$100,000 will be reviewed by the Tender Committee.

No action to commence procurement of the goods or services should be commenced prior to obtaining an approved Certificate of Exemption from the Secretary of the Tender Committee.

4. PLANNING THE PROCUREMENT

The procurement process is initiated by the completion of a Tender/Quotation Initiation form which includes information on the initiator of the request, the object of the request and approval from an appropriate financial delegate that the funds required are available for the purpose identified.

While all procurements require some planning, the degree of planning is dependent on the complexity and size of the procurement. The planning process for larger or more complex procurements before they go to tender should include:

3.1 Defining the Outcome

The development of a clear and precise description of the outcome will describe the property or service required, quantities required and how the property or service is to be delivered.

3.2 Defining Specifications

Developing specifications should involve the users of the property or services in defining the requirements together with appropriate project specialists and technical specialists. Specifications should be in terms of the performance and functional requirements rather than descriptive characteristics. Procurements of a technical nature should be prescribed by the technical specifications, rather than by a particular property or service

3.3 Identify Risks

An assessment of the risk associated with the project should be undertaken. This should include but need not be limited to evaluations of the Projects external impact, the strategic impact on the University, the scope and complexity of the procurement, physical or time constraints and the uniqueness of the processes used. Risk Management Policy requires that all projects over a value of \$500,000 should be formally evaluated and risk management strategies implemented where risks are identified.

Risks in the procurement process may relate to a number of factors including the immaturity of the market, highly specialised products, limited suppliers, dependence on specific personnel or supply chain issues.

For goods and services which are to be procured outside Australia, there may be an Exchange Rate risk. Instruments are available to the University to minimise the risk associated with purchasing goods off-shore and these should be considered prior to finalising any contract. Suppliers who may be exposed to Exchange Rate risk in providing goods or services to the University should be advised of the risk and the availability of techniques to minimise the risk to the supplier.

The Planning aspects of the procurement is of necessity done mainly by the Client who will also have funding approval prior to the tender process being initiated by Procurement.

5. TENDER DOCUMENTATION

The tender documentation may consist of four separate parts, the Conditions for Tendering, the Conditions of the Contract, the Brief and the Proposal Submission. The Manager Procurement is responsible for the issuance of all tenders and has standard formats for the Conditions of Tendering and Conditions of Contract. The Brief is developed by the internal client wishing to purchase goods or services. See Work Instruction WI4407.

5.1 Conditions of Tendering

The conditions of Tendering documentation provides information on where and when Tenders should be lodged, any special documentation which need to be lodged, briefing sessions which may be scheduled, selection criteria which will be used in evaluation of the tender and a proposed time line for processing the tender. The Manager Procurement will provide that documentation. A contact person for the Tender for technical matters is specified as part of the Conditions of Tendering documentation.

5.2 Conditions of the Contract

The conditions of the contract which might arise out of the tender process may be included in the tender documents. The University has general conditions of contract which may be used, Australian Standard documents or documents amended with the assistance of the University legal panel may be used. If the Tender is for Services rather than goods, the contract documentation should also include the list of Performance indicators to be used in the subsequent contract.

5.3 Brief

The Brief is developed by the individual or group wishing to purchase the goods or services required. The Brief provides a broad outline of the requirement within the University context and includes a Scope of Works which provides the detail of the requirements. The specifications defined in the planning phase will form an important part of the Scope of Works. The Brief will also include a listing of the Selection Criteria. The Selection Criteria listed in the tender document will form the basis of the evaluation of the tenders received.

Care should be taken to avoid unnecessary restrictive specifications or specifications which favour specific suppliers.

If the Tender is for Services rather than goods, the contract documentation should also include the list of Performance Indicators to be used in the subsequent contract if the contract documentation is not included.

5.4 Proposal Submission

The Proposal Submission sets out the documentation provided, the documentation required, the criteria for assessing the proposals received and a timeline for the process from advertising to the award of contract.

6. ISSUE OF TENDERS

When the Client and the Manager Procurement are satisfied with the documentation, the Manager Procurement will forward the document to Executive Director Finance and Asset Services for final approval.

Following final approval, the Manager procurement in consultation with the Client, will advertise the tender in appropriate media outlets via Uniprint and/or upload the Tender documentation to TenderLink and/or send documents directly to potential suppliers if appropriate. See Work Instructions [4408](#), [4409](#)

The advertising will clearly nominate the place date and time for lodgement of the tender responses.

7. TENDER AMENDMENTS

All tender queries should be notified to Procurement. Any amendments which arise out of queries or for any other reason should also be forwarded to the Procurement. All amendments to the tender should be advised to all tenderers. For tenders advertised on TenderLink, revisions notified to TenderLink will automatically be sent to all subscribers who have downloaded the original tender.

8. RECEIPTING OF TENDERS

Written tenders shall be placed in a double locked Tender Box. The Tender Receipting Committee must consist of at least two Officers from different units within FAS. These Officers are to hold separate keys to the Tender Box locks and are solely responsible for the operation of the Tender Box.

Tenders are to be opened and recorded by the Tender Receipting Committee, in order of opening. Each Tender received is recorded in the University Tender Register. The recording is, where practical, to include the price offered. Alternative offers, incomplete or otherwise, and non-conforming offers should be recorded as such on the opening schedule. (Eg "facsimile", "non-conforming", "alternative", etc).

For electronic submissions through e-mail, covering documentation which includes the time and date of receipt of Electronic Tenders should be printed, signed by the Tender Receipting Committee and kept in the Tender File. A separate tenders@cdu.com.au is established for the receipt of electronic tenders.

Offers received through the TenderLink Tender Box system should be down loaded to the appropriate folder and a copy of the Tender Box information kept on the Tender File and signed as such by the Tender Receipting Committee.

As a general rule, Tenders received after the designated closing date and time are not admitted for consideration unless it can be shown that forces outside the Tenderers' control caused the delay.

The Tender Receipting Committee shall make a recommendation on the admissibility of all Tenders received after the designated closing date and time, based on circumstances surrounding the receipt of that particular Tender and the relevant Conditions of Tendering. The Manager Procurement shall decide the admissibility of a Tender less than \$100,000; whereas, a recommendation concerning a Tender \$100,000 and above is to be referred to the Executive Director FAS for a decision. See Work Instruction 4410.

9. TENDER Evaluation Panel

The Tender Evaluation Panel will conduct the evaluation and recommendation process, and usually consists of from 3 to 7 members. The Chair of the Tender Evaluation Panel is the Contracts Manager Procurement. The client or a representative of the client should also be a member and other members may include additional members with technical expertise in the area being considered and/or financial expertise.

Where possible the Tender Board should be representative of both genders. See Work Instruction 4412.

10. TENDER VALIDITY PERIOD

Assessment of Tenders received shall be undertaken, wherever possible, within the timeframe of the Tender validity period. If a Tender is not accepted within the initial Tender validity period, the preferred Tenderer should be requested to confirm, in writing, that the Tender remains open for the acceptance, for a specified period of time.

Whether or not the Tendered price is amended, approval for a revised Tender Validity Period must be obtained in writing.

Where a Tenderer seeks an increase in the Tender price after the expiration of a validity period, the revised (or "new") price can be admitted for consideration, subject to the prior consent of the Delegated Officer. The "new" price must then be considered on the basis of whether the increase is regarded as reasonable.

The purpose of allowing an alteration of price to re-validate an offer is to enable a Tenderer to provide for cost increases occurring beyond the validity date which were not able to be anticipated at the time of Tendering or which would not be adequately covered by any Cost Adjustment (Rise and Fall) provisions in the document.

Extreme care should be taken in any discussions that a counter-offer is not made to a Tenderer.

11. TENDER EVALUATION

Tenders assessment shall be undertaken by Procurement Officers and Tender Evaluation Panel members with relevant skills and knowledge appropriate to the value and importance of the requirement and who are free of any conflict of interest, which might undermine the objectivity of the assessment.

Details of Tenders received are considered to be Commercial-In-Confidence and, other than Tenderers' names, are to remain confidential throughout the assessment and approval process. Until such time as approval to award the contract to the preferred tenderer is obtained from the Tender Committee, response to inquiries should convey no more than that offers are still under consideration.

Evaluation criteria (including the relative importance of each of the criteria) which have been determined and approved at the planning stage and have been included in the Tender documents are used in the assessment.

There are five key considerations that apply to Tender assessment:

- completeness (basic contractual/commercial compliance);
- conformity with specified requirements;

- price in relation to the Tender estimate;
- comparative evaluation based on achieving best value for money; and
- risk assessment.

All Tenders that are complete, conform to specified requirements and fall within relative price parameters must be assessed in terms of best value for money.

To achieve and assess best value for money, consideration is to be given for all of the price and non-price factors that are significant in any individual procurement including but not limited to, local factors, whole of life costs, quality and timely delivery. Reasonableness and commonsense are also important. Getting best value for money means ensuring that benefits are commensurate with costs. The least-first choice should not be followed automatically unless there is clear and reasoned justification for doing so.

In practice many decisions on the purchase of a simple or low value (less than \$10,000) requirement (where the risk is usually low) can be made on the prices offered, provided essential requirements are met. Procurement with higher risks (eg complex or higher value; \$10,000 and above procurement) need the careful exercise of properly informed judgment. Some decisions may be finely balanced and may depend on elements of subjective judgments. Subjective judgment is acceptable provided the basis for the judgment is well documented. See Work Instruction 4415.

12. VALUE SELECTION - WEIGHTED POINT SCORE SYSTEM

Value Selection is a weighted point score system which allows both price and non-price attributes to be taken into account in the selection of the most appropriate supplier. It is particularly suited to those situations where public accountability or other circumstances lead to a requirement for competitive selection.

The System is designed for small to medium sized projects and major projects, when a more complex assessment is required to be made to take into account a greater number of attributes.

Value selection ensures freedom from any suggestion of favouritism, influence or inconsistency with public interest. It attempts to objectively assess ability and merit and provides a clear indication of the most appropriate supplier. Whilst it is normally used for selection of consultancy services, the principals may be applied to all goods and service tenders.

13. RECOMMENDATION

Evaluation Panel Members approving the acceptance of Tender(s) must satisfy themselves that the best offer is being accepted. The reasons for the selection or rejection of Tender(s) shall be documented in a manner that facilitates scrutiny of the evaluation process by external sources. The extent of appropriate documentation can vary with the value, importance and sensitivity of the requirement. The withdrawal of any Tenderer is to be brought to the notice of the Tender Committee as applicable. In such circumstances particular attention is to be paid to the possibility of collusive Tendering.

The Chair of the Tender Evaluation Panel shall make the recommendations, co-signed by another member of the Tender Evaluation Panel, to the Tender Committee for approval. When all Tenders received are considered unacceptable, approval of the Tender Evaluation Panel is required to reject all tenders prior to any further action being taken. The recommendation from the Tender Evaluation Panel is to include advice on the proposed future action in respect of the project or requirement.

14. ADVICE OF TENDER RESULTS TO SUPPLIERS

The successful Tenderer is to formally be advised in writing by the Contracts Manager. This form may be in one or all of the following:

Purchase Order, Notification by Letter; and/or Formal Agreement.

Where written Tenders have been submitted, (ie. for requirements exceeding \$100,000), the unsuccessful Tenderers will be advised by letter as soon as practicable, after the contract has been awarded...

Unsuccessful Tenderers may take the opportunity to be debriefed in regard to specific reasons why their Tender was unsuccessful, to enable the Tenderer to improve competitiveness in future Tendering. Information should not however be divulged, as to the successful Tenderers pricing details. See Work Instruction 4413.

Where the offer is for the supply of goods or services originating external to Australia, suppliers will be advised of foreign exchange risks.

15. AWARDING OF CONTRACTS

All contracts which arise from the undertaking of contestable selection processes shall be managed by Procurement. Procurement will advise of the type of contract to be issued and ensure that it is appropriate to the circumstances, making use of Standards Australia Contracts, ABIC Contracts or contracts drafted within the University or elsewhere giving due regard to the nature, complexity and value of the contract.

Contracts will only be awarded following the agreement of the Tender Committee.

For those contracts which provide for the extension of the original term, the Contracts Manager, following advice from the relevant stakeholder in the contract and evidence of performance management of the contract, may extend the contract on behalf of the University until the end of the extension period.

Procurement will maintain a register of all contracts awarded, anniversary dates and possible extension dates.

16. PROBITY AUDIT

Procurement must be conducted with probity in mind to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity. Ethical behaviour also enables procurement to be conducted in a manner that allows all participating suppliers to compete as equally as possible. The procurement process rules must be clear, open, well understood and applied equally to all parties to the process.

For Tenders for projects over the value of \$20,000,000 and tenders of a complex nature an audit of the process may be conducted by an external agency.