

Australian and New Zealand College of Anaesthetists PURCHASING POLICY

1. PURPOSE

The purpose of this policy is to ensure that the Australian and New Zealand College of Anaesthetists (the College) acquires goods and services through a process that is transparent, economical, effective and delivers value for money. This policy articulates the guiding principles and provisions that apply when sourcing goods or services. This policy applies to all staff, including the Faculty of Pain Medicine. Fellows and trainees of the College or the Faculty of Pain Medicine (the Faculty) are not permitted to enter into contracts on behalf of the College or the Faculty.

2. INTRODUCTION

The objectives of this policy are to ensure that purchasing policies and procedures are based on the following principles:

- Value for money.
- Accountability.
- Risk management.
- Probity and transparency.

Value for money in purchasing is not only about the best price. It can involve a balanced judgement of a range of financial and non-financial factors, for example, the mix of quality; cost and resources; fitness for purpose; timeliness; risk and total cost of ownership.

The credit card policy should be referred to for credit card purchasing. The petty cash policy should be referred to for petty cash purchases.

3. BODY OF POLICY

3.1 Staff members of the College and the Faculty involved in the purchasing process must not have a vested interest in the company supplying the services or a potential conflict of interest. Staff of the College and Faculty will at all times undertake their duties in an ethical and impartial manner, act responsibly and exercise sound judgment. If there is any uncertainty or concerns over the existence of a potential conflict of interest, staff must notify the Chief Executive Officer. Refer to the Conflict of Interest Policy.

3.2 Staff members of the College and Faculty must have the appropriate delegated authority to purchase as per the Staff Delegations Manual.

3.3 Quotation and tender processes must be used to support purchasing decisions in accordance with the following provisions in order to test the market and ensure that the purchase will represent value for money.

Where the amount to be expended is estimated to be*	Minimum quotation/tender requirement unless exemption granted
\$2,500 or less	One verbal or written quote.
Between \$2,500 and \$20,000	One written quote.
Between \$20,000 and \$100,000	Three written quotes or reasons for not obtaining the required minimum number of quotes must be recorded on file.
More than \$100,000	Open tender or expression of interest

3.4 It is unacceptable to divide purchasing into separate parts or use a particular method for calculating the estimated total value for the purpose of circumventing the quotation/tender policy requirements.

3.5 Purchases from approved suppliers

3.5.1 Approved suppliers are those where the quotation/tender process has been completed and they have been selected as the provider for a specific or class of purchasing for a period of time. A contract must be in place for approved suppliers. The contract must be approved in accordance with the Staff Delegations Manual (refer to commercial / legal section).

3.5.2 While the use of approved suppliers is a legitimate means of managing purchasing risk and minimising transaction costs, it is important to recognise and manage any risks to good purchasing which could arise from a tendency to give certain suppliers repeat business. The following provisions apply to these agreements:

3.5.2.1 Approved suppliers are to be subject to periodic review/market testing. This review should take place on an annual basis during business planning and budgeting process. Earlier reviews should take place when the market indicators show a potential for obtaining better quality of services or purchases for the same or potentially reduced price.

3.5.2.2 The period of contract will depend upon the market volatility of the goods and/or services being purchased – otherwise the College's guideline is for three (3) years with two (2) further one year extensions written into the contract at the College's option, providing a maximum contract period of five (5) years.

3.5.2.3 The quote and tender requirements outlined in this policy apply to the negotiation and periodic renewal of approved supplier agreements.

3.5.2.4 The rules of use that apply when purchasing from an approved supplier are to be fully documented and explicit.

3.6 Exemptions from the quotations/tender requirements (quotation/tender waiver)

3.6.1 Exemptions should only be considered in exceptional circumstances based on merit.

3.6.2 Delegations for granting such exemptions are set out in the Staff Delegations Manual.

3.6.3 Factors that may justify granting an exemption include:

3.6.3.1 Matters of extreme urgency including public health, security or safety as a consequence of an unforeseen event or occurrence

3.6.3.2 Direct contact with a supplier of choice may be appropriate where no quotations/tenders were submitted or no quotations/tenders were submitted that conform to the essential requirements of the quotation/tender documentation

3.6.3.3 For additional delivery of goods and services that are intended either as replacement parts, extensions or continuing services for existing equipment, software, services or installations where a change in supplier would necessitate the procurement of goods and service that do not meet the requirements for interoperability or interchangeability

3.6.3.4 An absence of competition for technical reasons or where specialist expertise is required and this has been justified

3.6.3.5 An extension to building contact works by way of variations whereby use of another building contractor may void warranties, create industrial problems or compromise compatibility / continuity with the existing contract / installation

3.6.3.6 When a tender requirement under this policy has not been followed and for continuity of service, a temporary extension of a contract becomes necessary (which is not specified in the expiring contract) and an acceptable timeline to follow the process is provided.

4. CHANGES TO ANZCA PURCHASING POLICY

The College may modify or amend this policy at any time. Formal notice of amendments will not ordinarily be given, but the latest version of the policy can be accessed via the College website www.anzca.edu.au or by contacting the College on +61 3 8517 5353.

5. RELATED DOCUMENTS

- Contract management procedure.
- Purchasing procedure.
- Staff Delegations Manual.
- Conflict of Interest policy.

6. CHANGE CONTROL REGISTER

Version	Author	Approved by	Approval Date	Sections Modified
1	General Manager, Finance	Council	16/08/2013	Created.

1.1	Policy	CEO	March 11, 2014	Copyright statement added.
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