# Quotation Procedure

# Section 1 - Introduction

(1) This procedure supports the University of Newcastle's (University) Procurement Policy and outlines the quotation requirements when procuring goods and services for the University.

(2) This procedure should be read in conjunction with the Procurement Policy, Tender Procedure, and Aboriginal and Torres Strait Islander Procurement Strategy.

# Section 2 - Scope

(3) This procedure applies to procurement activities for the purchase of goods and services with an expected Total Cost of Ownership (TCO) of less than $250,000 (GST exclusive).

(4) Refer to the Procurement Policy for guidance in determining TCO.

# Section 3 - Audience

(5) This procedure should be read and understood by all staff, including staff of controlled entities, who undertake or are involved in procurement activities, including recommending and approving procurement outcomes.

(6) This Procedure is available to suppliers and potential suppliers for their information.

# Section 4 - Procedure

### Pre-approval of Expenditure

(7) As detailed in the Procurement Policy, University staff members must seek approval from an authorised delegate prior to making a purchase. Purchases and expenditure approval must be within an approved source of funds. Any staff member who incurs expenditure beyond or without an approved source of funds will be held accountable for that expenditure.

### Quotation Requirements

(8) For all goods or services, the specified number and format of quotations required by this Procedure is provided as a minimum requirement only. Depending on the nature and associated risk of the procurement, it may be appropriate to:

a. confirm verbal quotations in writing;
b. obtain more than the minimum number of quotations; or
c. undertake a tender process in accordance with the Tender Procedure.

(9) Note, verbal quotations may be permissible for purchases less than $80,000 subject to an appropriate record of

the quotation made in accordance with the Records Governance Policy.

(10) Where an existing contracted supplier relationship exists for the procurement of specific goods or services, a quotation must be obtained from this existing supplier. In this instance, no further quotations will be required from additional suppliers, regardless of the value of the purchase. A list of existing contracted suppliers is listed on the Strategic Procurement SharePoint site. An exemption to using an existing contracted supplier may be granted in accordance with this procedure.

(11) Where the required number of quotations has been obtained, and each of the quotations exceed the next quotation threshold, the number of quotations for the higher threshold must be obtained or a tender process may be required.

## Record Keeping

(12) For quotations for goods and services less than $80,000 (GST exclusive), details of the quotation process undertaken must be recorded against the purchase order in the finance system. All related documentation should be retained by the relevant business unit for audit purposes.

(13) For quotations for goods and services valued at $80,000 (GST exclusive) or more, a Request for Quotation (RFQ) must be raised in the University's Finance System or eProcurement System.

## Minimum Quotation Requirements

(14) For goods or services valued at less than $20,000 (GST exclusive), at least one quotation is required. The quotation should meet all Key Procurement Principles, as detailed in the Procurement Policy.

(15) For goods or services valued from $20,000 to less than $80,000 (GST exclusive):

a. at least two written quotations must be obtained from non-Indigenous owned businesses; or
b. one quotation is required from an Indigenous owned business, as per the Aboriginal and Torres Strait Islander Procurement Strategy.

(16) For goods or services valued from $80,000 to less than $250,000 (GST exclusive), at least three written quotations must be obtained. Quotations must be sourced by sending the University's standard Request for Quotation (RFQ) documentation to potential suppliers using either the RFQ module in the University's finance system or the University's eProcurement System.  In accordance with the Aboriginal and Torres Strait Islander Procurement Strategy, staff are encouraged to consider sourcing at least one quotation from an Indigenous owned business.

(17) Staff must consider current market conditions when planning to approach suppliers to seek quotations, with a view to increasing the likelihood of obtaining the required minimum number of quotations. This may include allowing sufficient time for response, and approaching a greater number of suppliers than the minimum quotation requirement to allow for potential non-response. In the event the minimum number of quotations is not received, and the staff member can adequately demonstrate a concerted effort was undertaken, the outcome may be approved by Strategic Procurement provided it demonstrates value for money.

## Exemptions to Quotation

(18) Where there is only one legitimate supplier that can meet the University’s operational requirements for a good or service, this may justify or necessitate an exemption to the University's Quotation Procedure. The following goods and services do not require multiple quotations and may be purchased without seeking an exemption to quotation (as detailed in clause 19):

a. existing contractual arrangements for the same or similar goods and/or services;

b. training in existing systems, equipment, or processes;
c. subscriptions and memberships;
d. utilities in a non-competitive market;
e. events;
f. travel – as the University's policy is “most practical fare of the day”;
g. books and periodicals;
h. the commission of works of art for a museum or public display;
i. professional licenses (e.g. CPA);
j. renewal of software and hardware licence agreements; or
k. the protection of patents, copyrights, or other exclusive rights, or proprietary information.

(19) For all other requirements whereby the purchasing staff member is seeking an exemption from the University's Quotation Procedure, an exemption to quotation or reduction in the number of quotations required may be requested through the University's Finance System and must be approved by the Chief Operating Officer, General Counsel and Chief Governance Officer or Associate Director, Strategic Procurement. Requests for exemption must be supported by adequate documentation to satisfy the following principles:

a. Value for Money: the purchasing staff member must address how this option will provide the best value for money outcome for the University;
b. Fairness: the purchasing staff member must justify with appropriately independent evidence why it is not appropriate to give other businesses an opportunity to bid for the project;
c. Accountability and Transparency: the purchasing staff, and any other staff member involved in the decision to seek an exemption, must declare that their decision to do so is both accountable and transparent;
d. Impartiality: the purchasing staff, and any other staff member involved in the decision to seek an exemption, must declare any actual or perceived conflicts of interest.

(20) Failure to apply for an exemption, or to submit an application for exemption after an arrangement is entered into, will be considered a breach of this Procedure and will not be approved.

## Obtaining Quotations

(21) The staff member requesting the quotations must prepare a detailed RFQ document prior to obtaining the quotations for goods or services valued at $80,000 (GST exclusive) or more. This should be prepared using the University's approved RFQ template and must be issued via the RFQ module in the University's Finance System or via the University's eProcurement System.

(22) Information to be included in the RFQ document must include, at a minimum:

a. a description of the goods or services to be procured;
b. detailed specifications and/or terms of engagement as required;
c. quantity (units or hours as applicable);
d. contacts details for the relevant business area;
e. delivery time or other requirements;
f. point of delivery or performance as required; and
g. any other information required to ensure all suppliers have a clear understanding of the requirements to enable them to provide accurate and comparable quotations.

(23) Quotation documentation must be written such that it does not unduly limit the range of potential suppliers or provide an unfair advantage to a particular supplier.

(24) In instances when an exemption to quotation has been approved, the detailed RFQ document must still be prepared and sufficiently detailed to confirm that the procurement meets the University's requirements and offers best value for money.

(25) Quotations must request the full costs of supply including, where relevant, details of freight, licensing, installation costs, support, maintenance, decommissioning, and any discounts. Refer to the Procurement Policy for further details.

### Communication During the Quotation Process

(26) Communications during the quotation process must be handled with due regard for probity - all potential suppliers must receive the same information and time for a response so that no supplier is given a potentially unfair advantage. This includes clarifications on any aspect of the quotation, unless there are documented reasons relating to confidentiality or intellectual property.

### Negotiations During the Quotation Process

(27) Negotiations will be undertaken to achieve an agreement that is fair, equitable, meets the needs of both parties and maintains or improves the relationship between the parties.

### Approval of Recommended Supplier

(28) In the event a quotation provides an overall better value for money outcome, the University reserves the right to accept that quotation, even if it is not the lowest submitted. In such cases the reasons must be clearly documented in the purchase order.

(29) In the event that two quotations are equal, the successful quotation will be selected by giving preference to a local, Indigenous, or minority owned supplier in preference to other suppliers, wherever possible.

### Advising Suppliers of the Outcome

(30) Unsuccessful suppliers or contractors should be advised of the outcome of the quotation process. If requested, the name of the approved supplier may be released but no details of the approved supplier’s quotation can be released.

# Section 5 - Reporting Requirements

(31) Staff are required to comply with the reporting requirements for Contracts under the Government Information (Public Access) Act 2009 and disclose relevant contract details for all contracts with a total value of $150,000 (GST inclusive) or more. Details of how to disclose relevant contract details can be accessed on ServiceNOW.

(32) Poor performance on the part of a supplier or contractor should be reported to Strategic Procurement.

# Section 6 - Compliance and Review

(33) University staff found to be in breach of this procedure may be subject to disciplinary action in accordance with the relevant Enterprise Agreement or their employment contract.

## Status and Details

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| **Status** | Current |
| **Effective Date** | 21st September 2023 |
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| **Approval Authority** | University Secretary |
| **Approval Date** | 21st September 2023 |
| **Expiry Date** | Not Applicable |
| **Responsible Executive** | Morven Cameron<br>Chief Operating Officer |
| **Enquiries Contact** | Tamarin King<br>Associate Director, Strategic Procurement<br><br>Legal and Governance Services |

## Glossary Terms and Definitions

**"University"** - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

**"Risk"** - Effect of uncertainty on objectives. Note: An effect is a deviation from the expected, whether it is positive and/or negative.

**"Controlled entity"** - Has the same meaning as in section 16A of the University of Newcastle Act 1989.

**"Disciplinary action"** - When used in relation to staff of the University, this is as defined in the applicable and current Enterprise Bargaining Agreement, or the staff member's employment contract. When used in relation to students of the University, this refers to the range of penalties that may be applied under the Student Conduct Rule.

**"Exemption"** - When referring to a student's learning pathway, exemption means being excused from undertaking preparatory subjects, units, modules or competencies in a course or program, while still being required to undertake the same number of subjects, units, modules or competencies as would be completed if an exemption had not been granted. For all other uses of this term, the generic definition applies.

**"Intellectual property"** - Intellectual property (IP), as defined by the World Intellectual Property Organisation, refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories: Industrial property includes patents for inventions, trademarks, industrial designs and geographical indications; and Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g. drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.

**"Procurement"** - The overarching activities, processes and systems undertaken to acquire goods and services for the University.

**"RFQ"** - Request for Quotation - the procurement method used by the University when detailed specifications of a good or service are known and competitive bids are to be evaluated mainly on price.

**"Staff"** - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the

University.

**"Delegate"** - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.