Edith Cowan University
POLICY

Policy Title:	**Strategic Procurement**
Policy Owner:	**Chief Financial Officer, Finance and Business Services Centre**
Keywords:	**Procurement, Purchasing, Contract, Supplier, Goods, Services**
Policy Code:	**PL260**

1. INTENT

This policy establishes the framework for the consistent approach to the planning, Sourcing and management of the procurement of goods and services at the University.

The aim is to ensure that the procurement process for the acquisition of goods or services delivers optimal value for ECU and adheres to the required ethical standards and probity principles.

2. ORGANISATIONAL SCOPE

This policy applies to all ECU staff involved in Purchasing goods and services on behalf of the University.

3. DEFINITIONS

TERM	DEFINITION
Approved Exclusion	Expenditures that do not relate to the process of purchasing goods and services. These expenditure types shall be annually reviewed and approved by the Vice-President (Corporate Services) and Chief Financial Officer as approved exclusions from the Purchasing Policy.
Category	A grouping of related goods or services based on similar characteristics.
Category Plan	The Category Plan is the summary of all findings of the requirement and supplier market research and analysis, as well as the options and recommendation(s) for the University to best manage the Category.
Category Manager	Category Manager focuses on developing a Category Plan for a specific spend Category to assist organisations to set out a commercial strategy over a 2 – 5 year horizon, together with associated opportunities, actions, owners and milestones. Some of these opportunities will involve strategic Sourcing initiatives.

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TERM	DEFINITION
Contract	A legally binding agreement that contains an offer, acceptance of that offer and consideration, which when accepted forms a Contract. Includes but is not limited to agreements, deeds, memorandum of understanding and leases.
Contract Expenditures	Expenditures managed through an approved Contract that details the agreed terms, conditions, services, payment amounts and timeframes. The approved Contract may be substituted as the purchase order to act as the control document to support authorisation of expenditures.
Delegated Authority	The level up to which an individual staff member may act to create a legal obligation on behalf of the University, including entering into contracts or Purchasing goods and services.
Exemptions	Expenditure type that are exempt from this Policy as determined by the Chief Financial Officer and/or Vice-President (Corporate Services). Further information is available from the FBSC Policy Owner as noted in Section 8 of this Policy.
Mandated Panel Supplier	A Mandated Panel Supplier to the University is a Panel Supplier that must be used on all occasions by staff for all purchases in the particular Category of goods and services provided by the supplier.
Multi-Vendor Financial Payment System	An online financial payment system that allows users to provide payments to multiple vendors for purchases using a secure internet account i.e. PayPal and Google Pay.
Panel Supplier	A Panel Supplier to the University is a supplier that has been selected by the Strategic Procurement section, following discussions and the involvement of key stakeholder groups within the University, as one that offers the best value to the University in a particular Category of goods or services. This includes Mandated Panel Supplier and UPH Supplier.
Purchasing	Transactional processes concerned with the tactical acquisition of goods or services, and primarily centred on the placement and processing of an order.
Sourcing	Sourcing describes all those activities within the Strategic Procurement process concerned with identifying and evaluating potential suppliers, engaging with selected suppliers and selecting the best value supplier(s).
Specific Purchasing	Expenditures that are authorised through specific systems or processes that manage and control the unique nature of these particular expenditures. These expenditure types shall be annually reviewed and approved by the Vice-President (Corporate Services) and Chief Financial Officer as Specific Purchasing expenditures to be independently managed through their unique systems and processes and not required to follow the standard purchasing and procurement processes.
Strategic Procurement	Strategic Procurement encompasses the end-to-end activities concerned with the development and implementation of strategies to manage University expenses for goods and services in such a way as to contribute to the University's overall goals

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TERM	DEFINITION
	and to maximise the value realised and/or minimise the total cost of ownership.
Supplier Performance	Supplier Performance is the continuously monitored and measured ability of a supplier to deliver on its contractual obligations. This is usually measured by the use of Key Performance Indicators (KPIs) that cover as a minimum the timeliness of delivery of goods and service, the quality of the goods or service and the level of customer service.
Supplier Relationship Management	Supplier Relationship Management (SRM) is the segmentation of the business relationships with ECU suppliers. The process involves reviewing the portfolio of suppliers, categorising supply relationships by their significance (spend, strategic value, risk), devoting resources in proportion to the relationship's significance and managing processes between the parties to realise the relationship objectives.
Tender	Tender, in ECU's context, refers to the activities or processes related to Expression of Interest (EOI), Request for Quotation (RFQ), Request for Proposal (RFP) or Request for Tender (RFT).
University Procurement Hub (UPH)	The UPH is a new way of delivering core procurement services through aggregation across Australian universities with the flexibility for universities to select additional services to meet specific requirements as they evolve.
UPH Supplier	A UPH supplier to the University is a supplier that has been selected by ECU and the University Procurement Hub (UPH), by which participating universities collectively acquire goods and services in a particular Category of goods or services.

4. POLICY CONTENT

4.1 This policy is supported by the following Procedures and Guidelines that should be applied to the planning, sourcing and management of the acquisition of goods and services at the University:

- Strategy and Planning Procedures
- Category Planning Procedures
- Strategic Sourcing Procedures
- Purchase to Pay Procedures
- Contract Management Procedures
- Sustainable Procurement Guidelines

4.2 ECU staff involved in Purchasing goods and services on behalf of the University should adhere to the Strategic Procurement Framework as depicted in Figure 1.

Phase 1 Strategy & Planning	Phase 2 Category Planning	Phase 3 Strategic Sourcing	Phase 4 Purchase to Pay	Phase 5 Contract Management

Figure 1: Strategic Procurement Framework

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4.3 In Phase 1 Strategy and Planning, Schools and Service Centres are responsible for informing Strategic Procurement of any planned or unplanned key activities that may require procurement support. This could take the form of inviting the Category Manager or a Strategic Procurement representative to the strategic and operational planning sessions of the School or Service Centre.

4.4 In Phase 2 Category Planning, Strategic Procurement is responsible for understanding and consolidating the procurement support activities required and translating it into a Category Plan, if applicable.

4.5 In Phase 3 Strategic Sourcing and Phase 4 Purchase to Pay, ECU staff should follow the established policies, guidelines and procedures associated with Purchasing and payment activities. The Procedures associated with the Purchasing and payment activities are governed by the Commitment Matrix in the Strategic Sourcing Procedures, the Delegations and Authorities Manual of the University and the ECU Technology Governance Policy.

4.6 Multi-Vendor Financial Payment Systems i.e. PayPal are prohibited and can only be used on an exemption basis. University Credit Cards are not to be linked or stored in a business or personal account within a Multi-Vendor Financial Payment System and must not be used to accept or disburse payment in the course of University business.

4.7 In Phase 5 Contract Management, ECU staff should manage Purchasing contracts in accordance with the established policy and procedures.

4.8 Staff involved in negotiating or establishing a Contract or MOU should have appropriate understanding of contract, consumer and competition law, appropriate delegated authority level and risk management or engage the services of suitably qualified subject matter experts. If staff have any questions, concerns or issues, they should contact Strategic Procurement, for guidance.

4.9 Both Strategic Procurement and the Strategic and Governance Services Centre will monitor adherence to this Policy.

4.10 Serious or continued breaches of this Policy, Guidelines or Procedures will be investigated and may result in the withdrawal of the individual's authority to purchase goods and services on behalf of the University.

4.11 A full and proper record of all Contracts and MoUs including any appropriate documentation of contract negotiations, specialist advice received or related correspondence must be maintained in accordance with the University's Records Management Policy.

5. EXEMPTIONS

Exemptions to this Policy are at the discretion of the Chief Financial Officer or nominee and must be approved in writing for a term not exceeding the next Policy review date.

6. ACCOUNTABILITIES AND RESPONSIBILITIES

In relation to this policy, the following positions are responsible for the following:

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Policy Owner
The Chief Financial Officer has overall responsibility for the content of this policy and its operation in ECU.

Executive Dean, Dean or Director
Executive Deans, Deans and Directors should be aware of their obligations as they pertain to this policy.

Staff
Staff are required to comply with the content of this policy and to seek guidance in the event of uncertainty as to its application.

7.   RELATED DOCUMENTS

7.1   The policy is supported by the following Procedures:

- Strategy and Planning Procedures
- Category Planning Procedures
- Strategic Sourcing Procedures
- Purchase to Pay Procedures
- Contract Management Procedures
- Sustainable Procurement Guidelines

7.2   Other documents which are relevant to the operation of this policy are as follows:

- Acceptance of Gifts by ECU Staff Policy (rm007);
- Code of Conduct Policy (hr117);
- Conflicts of Interest Policy (rm009)
- Creation and Management of Contracts Policy (ad024);
- Delegations and Authorities Manual;
- ECU Technology Governance Policy (it046)
- Environmental Management of Information Technology Policy (fs033);
- Fraud and Misconduct Prevention and Management Policy (rm006);
- Petty Cash Guidelines
- Purchase and Use of Gift Cards Guidelines
- Records Management Policy (ad022);
- Request for Exemption from Policy Form;
- Strategic Asset Management Policy (ad079);
- Sustainability Policy (ad089); and
- University Credit Card Policy (ad041)

8.   CONTACT INFORMATION

For queries relating to this document please contact:

Policy Owner	Chief Financial Officer
All Enquiries Contact:	Tony Wilson Manager Strategic Procurement & Business Services
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9. APPROVAL HISTORY

Policy Approved by:	Vice Chancellor
Date Policy First Approved:	18 March 2015
Date Last Modified:	4 February 2021
Revision History:	The *Purchasing Policy* (ad023/PL058) and the *Preferred Suppliers Policy* (ad0542/PL067) were rescinded upon the approval of this policy 18 March 2015 November 2015 – Reviewed and amended to reflect the new academic organisation structure. 3 May 2016 25 November 2016 – Links updated 16 January 2017 26 July 2017 21 June 2018 20 February 2019 10 June 2019 – Update approved by Policy Owner 4 February 2021
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