



# Procurement and Resource Management Policy and Procedure

Version 2.0

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## 1. Purpose

The purpose of this policy is to ensure a consistent, transparent, and centralised approach to purchasing products and services for Mining and Automotive Skills Alliance (AUSMASA). This policy and process will improve visibility of spend, demonstrate value for money of purchased products and services and provide the necessary due diligence with supplier and product selection.

Procurement (purchasing) includes leasing or outsourcing to suppliers or contracting external resources.

## 2. Audience

This policy applies to AUSMASA's:

- Board
- Chief Executive Officer (CEO)
- Employees
- Advisory Committees or Panels

## 3. Policy

AUSMASA procurement activities are authorised in line with our delegations of authority for expenditure of funds and its business requirements.

This policy sets out principles and processes that will manage supplier relationships, promote innovation in our thinking (when we consider what other options could deliver a better outcome), promote value for money, better outcomes and align our agreements to our expected outcomes.

Procurement and purchasing activities within the Mining and Automotive Skills Alliance include ethical, compliance and financial obligations, as well as opportunities for financial savings, service, and quality.

You must consider the following principles when engaging in a procurement exercise:

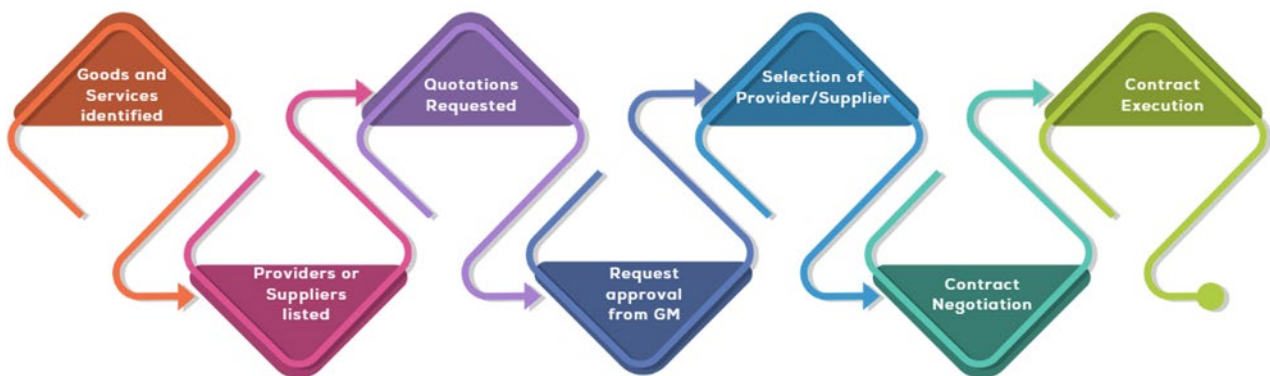
Principle	Definition	Supporting Policies   Documents
<b>Value for money</b>	Cost and other factors such as on-going costs, service and support and suitability to desired outcomes.	AUSMASA Budget
<b>Open and fair competition</b>	All suppliers, to the extent reasonably practicable will be given the same opportunity, i.e. the chance to quote on the same scope and specifications as others.	<a href="#">JSC Integrity Framework</a>

<b>Customer Service</b>	Seeking service level agreement from suppliers.	<a href="#"><u>JSC Performance Framework</u></a>
<b>Risk Management</b>	Minimising the risk to our organisation, our financial status, our operations, our stakeholders, and supplier relationships	<a href="#"><u>Risk Management Policy and Procedure</u></a>
<b>Diversity and Inclusion</b>	Equal opportunity for all. Active encouragement of purchasing from diverse range of suppliers and a commitment to seeking indigenous participation where options are available in the supply chain.	<a href="#"><u>Equal Opportunity and Diversity Policy</u></a> <a href="#"><u>JSC Integrity Framework</u></a>
<b>Ethical practices</b>	Controls in place to ensure ethical decisions are made.	<a href="#"><u>Anti-Bribery and Anti-Corruption Policy</u></a> <a href="#"><u>Whistle-blower Policy</u></a> <a href="#"><u>JSC Integrity Framework</u></a>
<b>Code of conduct</b>	Procurement and purchasing are conducted in line with our Code of Conduct.	<a href="#"><u>Code of Conduct</u></a>
<b>Conflict of Interest</b>	Procurement and purchasing are conducted in line with our Conflict of Interest Policy	<a href="#"><u>Conflict of Interest Policy</u></a>
<b>Environmental</b>	Considering environmental sustainability and energy conservation when making decisions.	<a href="#"><u>Environmental Sustainability Policy</u></a>
<b>Modern Slavery</b>	Acting ethically and with integrity and transparency in all business dealings.	<a href="#"><u>Modern Slavery Policy</u></a>

There must be sufficient justification to demonstrate that there is a need for the goods and/or resources/services to be provided and that the relevant considerations have been fully evaluated and allowed for prior to the purchase of any goods and/or resources/services.

#### 4. Process Overview

1. **Identify need** for Goods and/or Services. The availability of existing funds within an approved budget, or source of funds, will be established with the General Manager of Operations and Member Services prior to the commencement of any procurement activity.
2. **Send Procurement** team an email to confirm you are commencing procurement and to clarify if the process should be a Tender or a Quotation.
3. **Identify potential providers/suppliers;**
4. **Quotations or Tenders for the Goods and/or Services requested.** An email from a supplier with a quoted price is an accepted form of written quote. For purchases over \$20,000 quotes must be accompanied by the Procurement Approval Form. Formal tenders should be sought for all purchases over \$100,000.00.
5. **Operations Team supports evaluation and provider/supplier is selected** based on factors such as expected outcomes, value for money (not necessarily the lowest price), conflict of interest checks (refer to the examples matrix for evaluation scoring);
6. **Request approval from General Manager**, and by submitting Procurement Approval Form as required (refer below delegations in Section 5).
7. **Contract negotiation** with the provider/supplier;
8. **Contract execution.**



9. **Project milestones to be monitored** by the appointed Project Manager for the duration of the project.
10. Supplier Review.

## 5. Approvals

Employees of AUSMASA must not commit the organisation to a purchase unless they have approval authority from a position with the appropriate delegation (refer to Delegations of Authority Policy and Procedure). Where a purchase is over \$20,000 the Procurement Approval Form must be used to seek formal approval for the purchase. The Procurement Approval Form **must be** approved by the CEO.

The Board is required to approve any agreements with a term of greater than 12 months.

During the procurement process the identification of potential risks must occur. Such risks may include the future failure of supply due to stock availability or time constraints, conflicts of interest

(such as whether the suppliers are also providing a similar product or service to a competitor) and whether costs are likely to noticeably increase over the term of the procurement impacting proposed budgets.

<b>Purchase Value</b>	<b>Purchasing Requirement</b>	<b>Payment Method</b>	<b>Approval Mechanism</b>
<b>Purchases of less than \$500</b>	Direct Purchase	Virtual Corporate Card (Weel) or payable on Invoice	Delegation of Authority
<b>\$501 to less than \$2500</b>	Obtain a minimum of one (1) written quotations from the supplier.	Virtual Corporate Card (Weel) or payable on Invoice	Manager responsible for purchase in line with the Delegation of Authority
<b>\$2501-\$20,000</b>	Written quotes from at least two (2) suppliers	Virtual Corporate Card (Weel) or payable on Invoice	General Manager responsible for purchase in line with the Delegation of Authority
<b>Low risk \$20,001 - \$100,000</b>	Written quotes from at least three (3) suppliers	Payable on Invoice	Procurement Approval Form endorsed by General Manager of Operations and approved by CEO.  The General Manager of Operations will determine if this is high risk item.
<b>High risk \$20,001 - \$100,000</b>	Closed Tender process via at least three (3) suppliers	Payable on Invoice	Request for Tender (RFT) approach.  Scope endorsed by the relevant General Manager and the General Manager of Operations and approved by the CEO.
<b>\$100,001 to \$250,000</b>	Closed Tender process via at least three (3) suppliers	Completion of process and contract	Request for Tender (RFT) approach.

		negotiations /Payable on Invoice	Scope endorsed by the relevant General Manager and the General Manager of Operations and approved by the CEO.
>\$250,001	Open or closed Tender process via at least three (3) suppliers	Completion of process and contract negotiations /Payable on Invoice	Board Approval

**For noting:** A Request for Tender (RFT) is for the purchase of goods and services that are high in complexity, impact or risk, which can be strategic by nature. RFTs can be either open, meaning released to the public, or closed, meaning issued to a restricted number of suppliers. In the case of AUSMASA **these are likely to be closed tenders**, which means we identify three suppliers and ask them to submit a proposal based on our RFT.

### 5.1. Purchasing method variation

The General Manager of Operations and Member Services may approve a substantial variation (15%>) (subject to delegation of authority levels) to the initial quoted purchase price once an appropriate reason, and an amended quote, is given for the variation. If a variation is above delegation of authority levels for the General Manager of Operations and Member Services approval must be sought from the Chief Executive Officer.

If the purchaser cannot obtain the number of quotes required (e.g., there is only one supplier of a product or service, or procurement is of an urgent nature) these reasons should be provided and discussed with the approver prior to committing to a purchase.

The General Manager of Operations and Members Services may, at their discretion provide an exemption from the requirements contained in the policy if there are exceptional reasons to.

## 6. Evaluation & Selection

All quotes and tenders must be evaluated to ensure appropriate selection of supplier. A transparent trail of your decision-making process should exist.

DEWR approval must be sought for the majority of our procurement decisions. Approval will be sought at the endorsement stage of procurement.

The Procurement team will liaise with DEWR to facilitate the approvals once the General Manager responsible for the procured item has evaluated and defined the nature of the sub-contractor.

### 6.1. Quotes

Quotes must be evaluated based on the business need identified. Approval should be sought in line with the Delegation of Authority Policy, with oversight from Operations and the appropriate General Manager.

For example when reviewing business needs consider - are you receiving the required number of licenses? How does the preferred product compare to other quotes, consider cost, customer service, cybersecurity measures (if applicable), sovereignty of data storage and terms and conditions.

## 6.2. Tenders

Tenders must be evaluated against the scope and criteria included in the Request of Tender. The evaluation matrix will apply weightings to each criteria. An evaluation panel, consisting of three (3) AUSMASA employees, will score each proposal. If further information is required, all parties must be asked for the same information and given a deadline by which to respond.

Selection should be based highest score. If a selection is made for a preferred supplier that did not achieve the highest evaluation score justification must be provided for the decision. For example, the supplier is a better culture fit for AUSMASA versus another.

Approval should be sought in line with the Delegation of Authority Policy, with oversight from Operations and the appropriate General Manager, and the CEO.

## 7. Deliverables

All procurement activity must be co-ordinated with the Procurement Co-ordinator. All procurement activity will be managed and recorded via Monday.com and key deliverable milestones must be monitored and managed by the employee nominated as the Project Manager.

If suppliers are not meeting key milestones as identified in the contract the project manager must escalate to the appropriate General Manager and the General Manager of Operations and Member Services.

## 8. Contract Negotiation & Execution

The General Manager of Operations and Member Services, in co-ordination with the relevant General Manager, is responsible for contract negotiations as a result of tender evaluation and selection.

Contract negotiation and execution for products procured by quotation (rather than tender) must be approved and executed in line with the Delegation of Authority Policy.

## 9. Supplier Review

At the end of every contract and/or supplier agreement (or earlier if requested by the CEO or General Manager of Operations and Member Services) our suppliers must be reviewed to ensure return on investment and ensure that value for money is being achieved. If an item that has been procured, or a contract, is for multiple years a review of service level agreements should be undertaken annually.

This review is necessary for informed decision-making and is intended to ensure that the agreement we entered into with a particular supplier delivered what was promised and fulfilled our required outcomes.



A standard SWOT analysis approach should be adopted.

## S – STRENGTHS W – WEAKNESSES O – OPPORTUNITIES T – THREATS

Refer to Appendix A for examples of what should be included in your SWOT analysis.

### 10. Resource Management

Resource management is a key aspect to ensure appropriate planning, allocating, and monitoring of our staff resources. Through appropriate resource management you can achieve greater efficiency, effectiveness, and quality of your project outcomes.

At AUSMASA we use [Monday.com](https://www.monday.com) as our project management tool. [Monday.com](https://www.monday.com) provides clear visibility of workloads and resourcing across any given week, month, or quarter.

Whether procurement related or seeking support from another team or person, employees are required to be respectful of people's time and workloads. Plan ahead and give some thought to timelines where you have key dates and deadlines to adhere to.

- **TIME:** Seeking quotes, assessing outcomes, and collaborating with others so you get a complete outcome takes time. Provide appropriate lead in time for the task so managers can reallocate resources.
- **PLAN:** Plan what you might need and when, including the item/s you need to procure, and any staff support so that teams and individuals can plan accordingly and deliver without time pressures. While noting that there are situations where last minute requests are unavoidable, and these will be supported, however, gathering the key milestones of a project or procurement process before you start will help achieve a better outcome.
- **PEOPLE:** Give clear instructions, provide some detail on the purpose of your request (what's the desired outcome of the whole project/task). Be cognisant of competing priorities, your request will not be the only one. Collaborate when needed and be responsive in requests for further information.

### 11. Document History and Contact Details

#### Version

<b>Version</b>	2.0
<b>Implementation date</b>	12 October 2023
<b>Review date</b>	11 October 2024
<b>Next Review date</b>	1 October 2024

#### Revision History

<b>Revision date</b>	<b>Summary of amendments</b>	<b>Prepared by</b>	<b>Version</b>

#### Contact details

<b>Owner</b>	AUSMASA CEO
<b>Contact officer</b>	Company Secretary, <a href="mailto:admin@ausmasa.org.au">admin@ausmasa.org.au</a>

## 12. Appendix A – SWOT Analysis

Following the conclusion of the agreement, the below information will help you conduct a SWOT analysis to assess return on investment.

We have supplier contracts and sponsorship agreements. These can vary from a discrete event or activity to months and years. At the conclusion of a supplier contract [agreement], we undertake a review to ensure we received what we paid for and to make a determination about whether we would enter into future agreements with the supplier or provide further sponsorship.

This review is necessary for informed decision-making for those involved in these agreements. The review is not a legal one, i.e. contractual terms. It is a review to ensure that we assess agreements from the perspective that the agreement/contract delivered what was promised and fulfilled our desired outcomes.

You should apply a standard SWOT analysis to your approach. A review of the deliverables of a contract and/or agreement should consider:

**S - strengths, W - weaknesses, O - opportunities and T- threats.**

### **Considerations:**

1. If it is a sponsorship agreement, did we get the exposure we hoped for? Did we get all the benefits that were promised? If not, were there reasons for the non-deliverables? Was the target audience appropriate? Is it a good working relationship (consider if they were difficult to work with? Did they create more busy work than was necessary? Did you get more than was agreed because of the positive working relationship?)? If renewing or seeking a new supplier, what improvements/changes should we make? Were there any lessons learned that we need to be aware of?
2. If it is a consultant/supplier contract, for example, our IT support supplier, did they deliver to the service level agreed? If not, were there reasons for the non-deliverables? Are they responsive? Are their costs still competitive? Is the relationship working for us? Are there any pain points? If renewing or seeking a new supplier, what improvements/changes should we make? Were there any lessons learned that we need to be aware of?

Once you have all the required information, submit your SWOT analysis to the General Manager of Operations and copy your direct line Manager and the General Manager of your area.

If you need some assistance, the Operations team are available to provide guidance.