

Procurement

Managing Director's Authorisation

Effective Date

Patrick Hone



22 August 2024

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Version: 4

Review date: 22/08/2027

Document ID: NEMO-17552-62

1. PURPOSE

The Fisheries Research and Development Corporation (FRDC) procurement policy aims to deliver the following probity principles for the procurement of all goods and services:

- fairness and impartiality;
- consistency, accountability and transparency of process;
- delivery of value;
- security and confidentiality of information;
- identification and resolution of conflicts of interest; and to adhere to
- legislative obligations and applicable government policy.

2. RESPONSIBILITY

Responsibility for this policy resides with the Board.

3. DEFINITIONS, ACRONYMS AND ABBREVIATIONS

Definitions link [Definitions](#)

Acronyms Link [Acronyms and Abbreviations](#)

4. RISK CATEGORY

This policy covers the following risk categories.

Strategic	Governance	Service Delivery	Reputational	Financial	Operational	People
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5. RELEVANT DOCUMENTATION

This section contains links to internally and externally facing documents – access to internally facing documents is restricted to FRDC employees.

Relevant documentation
Internal
Procurement procedure
Agreements procedure
Code of conduct policy
Delegations and authorisation policy
Records management policy
Risk policy
Risk register
Nemo Agreements Library
External
Department of Finance - Ethics and Probity in Procurement
Protective Security Policy Framework (PSPF)
Public Governance, Performance and Accountability Act 2013 (PGPA Act)
Commonwealth Procurement
Workplace Gender Equality Procurement Principles
Accountable Authority Instructions (AAIs) - (RMG 206)

[Australian Government Contract Management Guide](#)
[Supply Nation Direct – Indigenous Business](#)

6. TRAINING

The training for the Policy will be communicated via staff meetings.

7. DOCUMENT MANAGEMENT

If any material resulting from this policy is to be filed to Nemo, please complete the table also see [Nemo Scenarios](#) or *General Manager if unsure which metadata to use*):

Document Type/s	Procurement records – Non Government
Functional Group	FRDM, R&D Investment
Action Date	Effective Date
Function type	Approval / agreements / correspondence
Organisation	Relevant Organisation
Prime activity	Procurement
Secondary activity	Nil
Document type	Correspondence/agreement

Document Type/s	Procurement records - Government
Functional Group	Government relations, R&D Investment
Action Date	Effective Date
Function type	Approval / agreements / correspondence
Organisation	Relevant Organisation
Prime activity	Procurement
Secondary activity	Nil
Document type	Correspondence/agreement

8. PUBLICATION

This policy is not to be made available on the FRDC website.

This policy is to be made available on the directors' site.

9. BACKGROUND

The FRDC is subject to the *Public Governance, Performance and Accountability (PGPA)* Act 2013. However, it is not subject to the Commonwealth Procurement Guidelines or Finance Minister's directions in relation to procurement. Despite this the FRDC still aims to comply with the intent of these guidelines and directions.

The FRDC aims to establish and maintain strong, outcome focused relationships with its suppliers – in particular research and management agencies.

10. POLICY

The FRDC Policy for procurement requires the Board and employees to address:

Accountability

- value for money

- fairness and impartiality;
- identify and appropriately manage actual and potential conflicts of interest
- maintain confidentiality and security of information

Transparency of process

- Method for selection (open tender, select tender, direct engagement)
- Encourage competition and be non-discriminatory and treated equitably
- Encourage minority supplier diversity
- Small and Medium enterprises can engage in fair competition
- Impartial evaluation

Delivery of services

- Monitoring and management
- Efficient and effective delivery
- Ethical provision of services/product

Risk management

identifying, assessing and managing the risks associated with the purchase of goods or services to ensure unexpected or undesirable outcomes are minimised whilst achieving the objectives of the procurement.

10.1 Accountability

The FRDC will:

- Ensure FRDC employees are responsible for the actions and decisions that they take in relation to procurement and for the resulting outcomes.
 - Every FRDC employee has a delegated approval amount (detailed in the FRDC’s Delegations and authorisation policy). For procurement above a delegation limit, approval should be sought from the appropriate manager.
- Keep adequate records of decisions and other matters relevant to the procurement, documenting and record all procurement activities – see 9 below.
- Adhere to the value for money principles:
 - the total cost (whole of life costs);
 - not selected on the basis of price alone;
 - fit for purpose;
 - timely delivery;
 - geographical support;
 - value-add relationships with third parties;
 - best fit for the activity;
 - other factors that may be taken into account include urgency, quality, and minimising environmental impacts but not at the expense of breaching probity.

10.2 Transparency of process

The FRDC will:

- Take a transparent approach to procurement and selection of providers.
- Assess each requirement and use the most appropriate selection method (e.g. open tender or call, select tender direct engagement). This will take into consideration value, risk and availability of provider.
- Address conflict of interest: namely if a procurement process directly or indirectly involves an FRDC director or employee, or an immediate member of their family; the director or employee will be excluded from decision-making relating to the procurement. This is consistent with the FRDC’s conflict-of-interests processes addressed through the Procurement procedure and Employees policy, and section 29 of the PGPA Act:

- FRDC employees and contractors must give the FRDC notice of any "material personal interests" before starting any procurement; and advise any changes as they occur.
- Wherever possible encourage a competitive selection approach to ensure best provider is identified and selected. Where possible:
 - preference will be given to goods and services supplied from Australia;
 - preference will be given to corporate socially responsible organisations;
 - not unfairly discriminate against smaller organisations and should provide opportunity for smaller organisations to compete.
- Not divided into separate parts (or contracts) for the purpose of avoiding a procurement or delegation threshold.
- Ensure transparency where other suppliers or sub-contractors are engaged.
- Treat all potential suppliers fairly, consistently and without bias

- Take an impartial view to evaluation of procurement activities – applying the fundamental principles outlined above in selection. For research projects this may include independent scientific review of proposal and use of assessment panels.

10.3 Matrix of procurement method versus cost

The following are the minimum procurement methods for establishing a contract for the supply of research, goods, or services. The values can be varied by the Managing Director or Board, and in either case documented justification provided. **(noting that any procurement may be approved by the Board without being limited by this policy):**

Total value of the procurement (GST inclusive)	Minimum procurement method (one of)	Written contract required
Greater than \$300,000	<ul style="list-style-type: none"> • Government panel (select from three* panel members) • Open tender • Open call (this can include traditional RD&E or modified innovation investments) • Selective tender, with a call for at least three written quotations (with Board approval) • Direct engagement (where only one supplier exists within delegation limits as per delegation and authorisation policy) 	Yes
\$75,000 to \$300,000 inclusive	<ul style="list-style-type: none"> • Government panel (select from three panel members) • Selective tender, with a call for at least three written quotations • Open call (this can include traditional R&D and modified innovation investments) • Direct engagement (where only one supplier exists within delegation limits as per delegation and authorisation policy) 	Yes

Total value of the procurement (GST inclusive)	Minimum procurement method (one of)	Written contract required
\$25,000 to \$75,000 inclusive	<ul style="list-style-type: none"> Government panel (select from two panel members) Direct engagement (where only one supplier exists) Two competitive quotes required FRDC procurement request form completed 	No
Less than \$25,000	<ul style="list-style-type: none"> Competitive quotes not required* FRDC procurement request form completed for contracted or ongoing services 	No

* The FRDC will aim to obtain a minimum of two quotes where possible.

The above procurement methods may be varied at the Board's or Managing Director's discretion (within delegation limits). This could be where:

1. Goods or services are available under a government panel contract.
2. Continuing an existing contract with service providers (under this scenario, the FRDC will document the value of the renegotiated contract).
3. A specific item must be obtained to retain warranty services or to ensure technical integrity.
4. Urgency precludes the quotation or tender process.
5. A prospective supplier appears to be the sole available source of the goods or services.
6. The prospective supplier's goods or services are considered to be superior to those of any likely alternative supplier.
7. The cost of selecting alternative suppliers would negate the benefits to be derived from a competitive process.

Any variation of the procurement method thresholds by the Board or the Managing Director will be documented, including the justification for the decision.

10.4 Delivery of services

The FRDC will:

- Monitor and evaluate the delivery of the activity, service or product to ensure it meets requirements;
- Take remedial action where a provider is not meeting obligations or the activity, service, or product is no longer fit for purpose – this may include renegotiation or termination:
 - This should ensure the activity, service or product continues to align with and assist in delivering the FRDC outcome.
- Aim to minimise overheads (unnecessary administration) and avoid waste.
- Act consistently with honesty, integrity, and fairness.
- Requires ethical behaviour (e.g. fair and impartial dealings, adhering to animal ethics, or community standards).
- Ensure the service or supply where possible meets best practice environmental standards, including those related to energy and recycling.

10.5 Risk Management

In undertaking any procurement, staff members will have due regard to considerations of risk and probity.

The FRDC will comply with the Australian Government’s Protective Security Policy Framework (PSPF) which stipulates those official resources, especially security classified information, are to be protected from risk (detail on how this is achieved is found in the Procurement procedure).

The FRDC will not exclude suppliers from consideration for inconsequential probity reasons, and will appoint probity specialists only where justified or utilise an existing FRDC supplier or government contract.

11. RECORDS MANAGEMENT

All records generated will be saved in the FRDC records management systems with the relevant metadata scenarios. Commercial private and personal details will be treated with confidentiality.

Preferred supplier agreements for goods and services (non-project) will be recorded and maintained in the Nemo Agreements Library and reviewed annually, to determine the extent to which contract requirements are being met and to address any emerging or anticipated needs for change.

12. ATTACHMENTS

#	Description
Nil	



Procurement policy - Board Policy

Final Audit Report

2024-08-29

Created:	2024-08-29
By:	Cheryl Cole (cheryl.cole@frdc.com.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAABAKD5FLnJ4Dv4QVn_i6-v4W8lqAigWwSJ

"Procurement policy - Board Policy" History

-  Document created by Cheryl Cole (cheryl.cole@frdc.com.au)
2024-08-29 - 0:22:19 AM GMT- IP address: 210.185.116.222
-  Document emailed to Patrick Hone (PATRICK.HONE@FRDC.COM.AU) for signature
2024-08-29 - 0:25:31 AM GMT
-  Email viewed by Patrick Hone (PATRICK.HONE@FRDC.COM.AU)
2024-08-29 - 0:45:24 AM GMT- IP address: 104.28.90.7
-  Document e-signed by Patrick Hone (PATRICK.HONE@FRDC.COM.AU)
Signature Date: 2024-08-29 - 0:45:36 AM GMT - Time Source: server- IP address: 1.145.243.64
-  Agreement completed.
2024-08-29 - 0:45:36 AM GMT