

# Procurement guide

ANSTO's procurement policy is closely aligned with the Commonwealth Procurement Guidelines and makes use of the Australian National Audit Office guidelines on ethics, accountability and transparency.

ANSTO will utilise a competitive, transparent, accountable and ethical process to derive the best value for money in terms of the quantity, quality, price, availability and best fit for ANSTO having regard to social, corporate and environmental issues.

The ANSTO Procurement document details more information in the following key areas:

- Guidelines
  - Ethics; Accountability and Transparency
- Procurement strategy and thresholds
- Types of procurement
- E-commerce
- Ordering and payment process
- Becoming a supplier to ANSTO
- Tender process
- Procurement process
- Effective sourcing
- Insurance and risk
- Negotiations and contract stage
- Contact details

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## Guidelines

ANSTO has closely aligned its procurement process with the Commonwealth Procurement Guidelines and makes use of Australian National Audit Office guidelines on ethics, accountability and transparency. These guidelines are:

### **Ethics**

Ethics refers to the moral principles or values that guide officials in all aspects of their work. Ethical behaviour encompasses the concept of honesty, integrity, probity, diligence, fairness, trust, respect and consistency including fraud.

### **Accountability**

Accountability ensures that ANSTO officials are responsible for their actions and decisions in relation to the procurement and for the resulting outcomes.

### **Transparency**

Transparency provides assurance that procurement processes undertaken by ANSTO officials are appropriate and that policy and legislative obligations are being met. It involves ANSTO officials applying these probity principles and documenting all decisions throughout the process.

### **A note on gifts and hospitality**

ANSTO has strict guidelines that align with the Commonwealth Procurement Guidelines regarding any acceptance of gifts or hospitality and all those involved in the procurement process must adhere to the guidelines on ethics, accountability and transparency. All conflicts of interest must be declared.

ANSTO strictly prohibits potential respondents and all suppliers providing gifts or hospitality in any form that would jeopardise the process and may result in them being excluded from business opportunities.

Any requests soliciting any form of gifts or hospitality from any ANSTO employees or contractors or those associated with ANSTO activities or involved in the procurement should be referred to the Management of ANSTO Finance and Procurement.

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## Procurement strategy and thresholds

**ANSTO's procurement strategy is to deliver value for money by reducing cost, improving compliance, simplifying processes and reducing risks.**

In our efforts to develop a strong partnership with key vendors, suppliers are encouraged to offer options or solutions which, in a novel or innovative way, contribute to ANSTO's ability to carry out its business in a more efficient and cost-effective manner. These may be related to the functional, performance and technical aspects of the requirement or opportunities for more advantageous commercial arrangements.

### Procurement thresholds

Expenditure range	Process
\$400,000 and below	<p>This is made of a number of initiatives that include low value, one-off purchases by credit card, use of existing Commonwealth contracts, as well as obtaining valid competitive quotes in line with the principles of ethics, accountability and transparency.</p> <p>ANSTO may still use the open invitation process in certain procurements in this category.</p>
\$400,000 and above	<p>Advertised via AusTender, Open or restricted invitation process, ie, EOI, RFP, RFT or RFQ.</p>

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## Types of procurement

ANSTO's category of purchases fall into five categories including scientific equipment and supplies, business services, people and resources, technology infrastructure and property. Examples of the types of purchases can be found below:

<b>Scientific equipment and supplies</b> Chemicals Gas supplies Lab consumables Lab equipment Scientific equipment/instruments Professional services	<b>Business services</b> Fleet Freight Travel Accommodation services Print management services Stationery and office supplies Office equipment Furniture
<b>People and resources</b> Recruitment Legal services Training and development	<b>Technology infrastructure</b> Network switch equipment Servers Desktop Network links Telecommunication Data centre services
<b>Property</b> Building services Security services Utilities Building works Engineering equipment and consumables	

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## E-commerce

**ANSTO uses a variety of e-commerce facilities where it can support its purchases.**

SAP is used by ANSTO as its base for financial management system. ANSTO is developing facilities to provide links to vendor hosted catalogues that have a facility which allows requisitions to be created in the SAP application to ensure compliance to approval processes.

ANSTO will support valid requests for enhanced automation to achieve a streamlined Procure To Pay environment. Please contact the Procurement Manager at ANSTO should you want to discuss opportunities of e-commerce based solutions in dealing with ANSTO.

## Ordering and payment process

### Purchase orders

When ordering goods or services ANSTO creates a purchase order with a unique number. The supplier must be in receipt of a valid purchase order before providing the goods or services. Purchase orders issued for supply of goods and services will need to be quoted on all invoices.

### Invoicing and issuing payment

Invoices provide the means for payment and only upon entry of receipt in our SAP system, against the respective purchase order, will ANSTO accounts payable be able to effect payment.

Invoices should be sent to the address specified on the purchase order. To avoid delay in payment it is important that the invoice is legally compliant and that it includes a valid PO number and your details. The details required include name, ABN and contact number. GST must be shown separately. Any non-compliant invoices will be sent back to the supplier resulting in delay in payment.

### Method of payment

All payments are transferred electronically via EFT and suppliers will need to ensure that full details are provided on the correct ANSTO form so that vendor accounts are established in SAP to enable prompt payment. ANSTO reserves the right to withhold payment where the goods or services have not been provided in accordance with the contract. ANSTO expects all their suppliers to pay any sums due to sub-contractors promptly and within the agreed days.

### Payment terms

ANSTO's standard terms of payment are 30 days commercial i.e. 30 days from month end of invoice date. Payments are subject to receipt by ANSTO of a correct invoice in accordance with the goods and services procured.

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## Becoming a supplier to ANSTO

ANSTO will evaluate potential new suppliers in consideration of our overall procurement guidelines and value for money, which is central to ANSTO's procurement strategy.

Potential suppliers should make contact directly with our procurement team via [procurement@ansto.gov.au](mailto:procurement@ansto.gov.au).

### How to become an ANSTO supplier

ANSTO delivers specialised advice, scientific services and products to government, industry, academia and research organisations. It does so through the development of new knowledge, delivery of quality services and support for business opportunities.

ANSTO receives its funding from the Commonwealth Government and is charged with ensuring all expenditure represents the best value for money. This is achieved by encouraging competition through a standardised procurement process and undertaking a comparative analysis of all relevant costs and benefits of each purchasing proposal over the life of the purchase. All ANSTO procurement is conducted in an accountable, transparent and ethical manner.

The need to demonstrate value for money is central to ANSTO's procurement strategy and cannot be achieved without the support of suppliers in developing strategic partnerships in all categories of spend. We rely on our suppliers to deliver excellence, constantly seek to improve services, and deliver against negotiated and contracted key performance indicators.

Suppliers are selected on the basis of overall value for money. Whilst price is important, ANSTO will always consider non-price factors such as quality, reliability, safety, timely delivery and after sales support, before arriving at a decision which is the most economically advantageous to ANSTO.

Potential suppliers must demonstrate their financial, commercial and technical capability to fully meet the contractual requirements. We also look for a clear demonstration of commitment to

- Equal opportunities in employment
- Training of staff
- Environmental issues
- Workplace health and safety
- Corporate social and environmental responsibilities

### AusTender

All procurement opportunities over \$400,000 are conducted through the Government's AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au),

### Annual procurement plans

ANSTO in accordance with regulations will publish annual procurement plans.

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## Tender process

### Competitive tender process

In order to achieve value for money, ANSTO uses a range of methods to procure products and services. The choice of method depends on the type of product or service and its overall value.

Competitive tendering is ANSTO's preferred course of action for supplier selection and is utilised when the whole of life value of the goods and services to be purchased exceeds \$400,000 AUD including GST. The methods associated with these processes are as follows.

### Open/restricted invitations

#### Open tendering

This is where the invitation is publicly available in AusTender for all interested providers to respond. From the AusTender site interested parties can download the invitation documents. AusTender also gives the location, date and time when tenders will close. All whole of life purchases of goods and services greater than \$400,000 are advertised unless use of restricted invitations is adopted as per ANSTO internal processes that may also consider the CPG guidelines.

#### Restricted and direct tendering

This is where the invitation is issued to a predetermined, or restricted number of suppliers due to the nature of the requirement. These include: where an initial open market approach has occurred i.e. an EOI; where there are limited suppliers for goods or services such as property; cases of extreme urgency or emergencies such as insurance damage; or where a Commonwealth Government contract exists.

A panel arrangement to support requirements can also be used as a result of the invitation process provided sufficient competitive tension has been established in the selection process. All restricted invitation processes require appropriate ANSTO approval. ANSTO ensures that direct sourcing is not used for the purposes of avoiding competition, or to discriminate against any domestic or foreign business.

### Types of invitation

#### Expressions of Interest

Expressions of interest is used where the market is being tested for suitable respondents as ANSTO does not know the market fully or where there are likely to be too many respondents and use is made of this process to cull for the next stage of the invitation process.

#### Request for Proposal

Request for proposal is used after an EOI process or directly where the requirement is to seek solutions, or a range of alternative innovative options, to meet ANSTO's needs.

#### Request for Tenders

Request for tenders is used after an EOI process or directly where the requirements are specific and respondents can provide a definitive, quantitative response.

#### Request for Quotations

Request for quotations is used where the value is less than the \$400,000 threshold and the requirement is simple in nature off the shelf items, catalogue items

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## Receipt of responses

All responses close at the location nominated by Austender at the specified date and time. Late submissions received after the deadline will not be considered unless the delay was due to mishandling by ANSTO.

## Invitation documentation and published criteria

All responses are evaluated as per the published criteria along with any other terms and conditions relevant to the evaluation of submissions. Details of weighting, scoring and methodology are not provided.

## Mandatory requirements

Responses failing to meet the detailed mandatory requirements will be excluded from further assessment and consideration at ANSTO's discretion. Some common selection criteria are:

- Price/cost
- Meeting the required specifications
- Quality
- Service and support
- Insurance and risk
- Delivery
- Compliance to ANSTO's standard Terms and Conditions
- Energy, environmental and OH&S aspects

All request documentation includes the following:

- Description of the product or service, and where known, the quantity required
- Description of the nature of the procurement, the scope and any requirements to be fulfilled, including any detailed technical specifications, conformity certification, plans, drawings, or other materials to assist respondents in submitting a complying response
- Specific conditions for participation i.e. mandatory requirements including pricing, any technical requirements and documents that potential suppliers are required to submit. Respondents not complying with mandatory requirements are not eligible to be considered for the evaluation process
- Applicable ANSTO standard terms and conditions are also included along with a compliance statement. Vendors are to pay particular attention to contracted terms and conditions, as these will not be amended once compliance statement has been agreed

## Evaluation of tenders

In order to preserve the integrity of the competitive process, the evaluation of responses is undertaken objectively, consistently and without bias towards any particular supplier/s.

Responses are evaluated against a pre-determined published set of criteria in the invitation documents. The weighting of criteria is determined before responses are received for evaluation as this provides the evaluation committee the right tools for an ethical, visible and accountable method of awarding a business opportunity that is not biased.

ANSTO will only award a contract to the supplier it considers offers the best value for money and may seek Best and Final Offers (BAFO) as part of the evaluation and negotiation process. All contracts are only awarded after due internal approval processes and any contractual obligations occur only after issue of an official ANSTO purchase order or an executed contract signed by both parties.



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## Procurement process

<p><b>Identify need</b></p> <ul style="list-style-type: none"> <li>Annual procurement plan</li> <li>Business case</li> <li>Risk assessment</li> <li>Procurement budget</li> </ul>	<p><b>Determine suitable process</b></p> <ul style="list-style-type: none"> <li>Establish evaluation committee, including advisors</li> <li>Open or restricted invitation (via AusTender or direct sourcing events)</li> <li>Procurement method decision (eg. EOI, RFT or RFP)</li> <li>Evaluation methodology, including mandatory evaluation criteria</li> <li>Invitation time limits and timetable</li> </ul>
<p><b>Conduct procurement process</b></p> <ul style="list-style-type: none"> <li>Prepare a probity plan, including evaluation and methodology</li> <li>Prepare and release invitation documentation (EOI, RTF, RFP)</li> <li>Publish requirements in AusTender and/or advertise tender notices</li> <li>Tenders received and acknowledged</li> <li>Value for money assessment, including compliance to ANSTO Terms and Conditions</li> <li>Evaluation report</li> <li>Negotiations - best and final</li> <li>Recommendation report</li> </ul>	<p><b>Approval process</b></p> <ul style="list-style-type: none"> <li>Recommend decision</li> <li>Probity report (if required)</li> <li>Seek approval from relevant delegate</li> <li>Decision documented</li> </ul>
<p><b>Contract/relationship</b></p> <ul style="list-style-type: none"> <li>Establish contract, including KPI's, performance reports, etc</li> <li>Provide advice to unsuccessful respondents</li> <li>Provide debriefing sessions if requested</li> <li>Publish resultant contract on AusTender if over \$400k</li> <li>Decisions regarding requests for variation of the contract</li> <li>Purchase orders</li> <li>Purchase payment</li> <li>Transition process</li> </ul>	

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## Effective sourcing

To achieve the best outcome ANSTO adopts a number of processes and steps, from project scoping through to contract. The ANSTO project manager along with procurement, work with the relevant stakeholders across ANSTO to:

- Leverage ANSTO's purchasing power
- Continuously improve purchasing processes and control
- Ensure compliance with ANSTO procurement policy
- Lead collaboration with internal stakeholders for better management of key suppliers; and
- Provide better and timely management information

## Insurance and risk

**Suppliers are required to have insurance at a value appropriate to the likely maximum damage that they could potentially cause ANSTO.**

Standard classes of insurance include public liability, property damage, product liability and professional indemnity. As a guide, the contractor should ensure that throughout the term of the contract it is insured with, or is the beneficiary under an appropriate insurance policy such as:

1. A broad form public liability insurance to the value of at least \$20 million per occurrence
2. Where the contractor supplies services, professional indemnity insurance to the value of at least \$10 million in respect of each claim arising from or in relation to the contractor's performance of the contract
3. Where the contractor supplies products, product liability insurance to the value of at least \$10 million in respect of each claim arising from or in relation to the contractor's performance of the contract
4. The contractor must have workers compensation insurance in place in accordance with prevailing New South Wales law

It should be noted that the values specified above are ANSTO's minimum requirement and that a higher level of coverage may be required for some projects. Where a higher level of coverage is required the details will be identified in the invitation documents and confirmed with the contractor prior to the issue of a contract.

Contractors will be required to produce evidence of insurances to ANSTO in the form of a Certificate of Insurance. In some circumstances ANSTO may require that it be named as an additional insured.

ANSTO will generally not agree to clauses that 'waiver rights of subrogation', 'hold harmless', or requests an indemnification regardless of fault. ANSTO's insurers will not allow third parties to be named on its policies. Any requests or variations to insurance clauses need approval by ANSTO Legal.

An appropriate risk assessment of the proposed solution and selected respondent is undertaken to ensure that ANSTO is not exposed to unacceptable risks from the proposed contract.

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## Contractors insurance and safety management systems

1. ANSTO has engaged Barrington Group Australia Pty Ltd ('Barrington') to check the contractor's insurance and safety management systems and to check these are kept current and up to date. Barrington's responsibility includes:
  - a) Recording and checking the contractor's safety management systems
  - b) Recording and checking of the contractor's insurance (including workers compensation and public liability) based on the level of risk associated with the contractor.
2. There is no fee payable by the contractor to Barrington. The contractor must provide to Barrington's, details of Insurances, Licenses and Work Health and Safety information as requested by them from time to time, for the purposes of the contract, and the contractor must keep such information always current and up to date.

## Negotiations and contract stage

### Award of contract

An evaluation team will examine each tender received and make recommendations as to which response represents the best value for money using the pre-determined evaluation matrix, weightings and scoring methodology.

Once a contract has been awarded, both the successful and unsuccessful respondents will be notified. Only upon request in writing to the nominated contact person in the invitation documents will ANSTO provide unsuccessful respondents, any debriefings.

ANSTO treats all responses commercial in confidence and only that respondents submission will be discussed and submissions by other respondents are not open for discussion, nor are the evaluation, or scoring, or weightings. Successful contracts maybe recorded as a public record on AusTender.

All contracts are only awarded after due internal approval processes and any contractual obligations occur only after issue of an ANSTO purchase order or an executed contract signed by both parties.

### ANSTO standard Terms and Conditions

The sourcing team, in conjunction with Legal Counsel, will determine the appropriate contract template to be utilised for the specific sourcing event.

Any variation to ANSTO's Standard T&C's and the schedules must be approved by ANSTO Legal before they are agreed with the supplier, for example, if a supplier proposes to alter ANSTO Standard T&Cs or proposes to use their own T&Cs, then ANSTO Legal must approve these changes.

## Contact us

ANSTO's finance team manages a full range of financial matters including taxation, payables, receivables, insurance and government funding. If you require additional information or clarification on ANSTO's procurement practices, please email [contracts@ansto.gov.au](mailto:contracts@ansto.gov.au)