



ARMS Procurement Policy for the Purchase of Goods and Services

Guidelines	
Last amended	28 May 2021
Board Endorsement	28 May 2021
Proposed Review Date	28 May 2023
Related Documents	ARMS Constitution, Bylaws, Delegation of Authority Policy

PURPOSE

To support accountability and transparency relating to the expenditure of ARMS funds for the procurement of goods and services on behalf of ARMS members.

This policy covers the requirements for ARMS procurements¹ and the procedures by which such procurements are obtained. It provides guidelines for assessing the value of an intended procurement, and describes the thresholds for different requirements based on value.

It is based upon the principles set out under the [Commonwealth Procurement Rules \(CPRs\) December 2020](#).

WHEN DO THE PROCUREMENT GUIDELINES APPLY?

If an item and its sourcing method is identified and described in the Society's original annual approved budget the requirement for quotes and tenders as described in the Guidelines is not required.

PROCUREMENT PRINCIPLES

Value for money

Achieving value for money is the core purpose of the Guidelines. This requires the consideration of the financial and non-financial costs and benefits associated with procurement. In addition to financial value, the following additional criteria may be applied in determining value for money.

- Expertise and/or experience in the field
- Ability to deliver the goods or services in the required timeframe
- Previous positive experience working with the supplier.

Valuing Procurement

The estimated value of the goods² or services being procured (the contract value) must include:

- the total maximum value of the goods or services being procured, including any incidental charges or delivery fees, any installation costs or any other implementation costs³;

¹ Procurement does not include the engagement of employees

² Goods and services includes the purchase of property

³ If the contract provides for reimbursement of direct expenses incurred during the course of the delivery of the contract and which are not covered via a fixed price, an estimate of such reimbursements should be provided at the time of the procurement.

- the maximum anticipated value of a contract, including options, extensions, renewals or other mechanisms that may be executed over the life of the contract;
- all forms of remuneration, including any premiums, fees, commissions, interest and other revenue streams that may be provided for in the proposed contract;
- any taxes or charges (including Goods and Services Tax).

For procurement that does not specify a total price, the basis for estimating the value of the goods or services being procured is:

- for a fixed-term contract where the term is 12 months or less, the total estimated contract value for the contract's duration;
- for a fixed-term contract where the term exceeds 12 months, the total estimated contract value, including the estimated residual value which will be payable at the end of the contract; or

Where a procurement is to be conducted in multiple parts with contracts awarded either at the same time or over a period of time, with one or more suppliers, the estimated value of the property or services being procured must include the estimated total maximum value of all of the contracts.

A procurement must not be divided into separate parts for the purpose of avoiding a procurement threshold.

Quotes and tender submissions **must** be treated as confidential before and after the award of a contract. Once a contract has been awarded the terms of the contract, including parts of the contract drawn from the supplier's submission, are not confidential unless ARMS Executive has determined and identified in the contract that specific information is to be kept confidential.

PROCUREMENT RULES

All procurements must be within the approved Committee or Chapter budget.

Value under \$1,000

- Viewed as discretionary spend of ARMS Board, Sub-Committees and Chapters to support the business of ARMS; and
- A record of the purchase, invoice and receipt is to be forwarded to the ARMS Management Accountant

Value \$1,000 – \$10,000

- **Where possible, (3) three verbal quotes** to be obtained;
- Justification for the selected quote to be made by the relevant Committee and documented;
- A record of the quotes obtained, the selection process, decision taken, purchase, invoice/s and receipt/s to documented and sent to the ARMS Executive Office.

Value over \$10,000

- All procurements over \$10,000 must be undertaken by the ARMS Board or delegate (i.e. The ARMS COO).
- The method of procurement may be one of:-
 - Three written quotes obtained
 - Formal tender process. This may be a limited tender process or an open tender process, at the discretion of the ARMS Board.
- A Scope of Goods or Services document must be developed by the Board and include a clear process for tender made available to the potential tender applicants either directly (limited tender) or by advertisement (open tender). The Scope document will also include clear rules for tender, timelines, and the name of a contact person.
- In the case of a limited tender, where practicable (3) three external providers must be approached.

- Tender applicants must provide a written submission addressing the criteria and within the defined rules
- A tender panel comprising ARMS members from either the ARMS Board or the relevant Standing Committees including the COO will assess the tenders and make a recommendation to the ARMS Board.

EXEMPTIONS

If *procurement* of a good or service is to be considered exempt from the Procurement Guidelines it must meet at least one of the following criteria. Formal documentation for the reason for exemption must be retained.

- No commercial market exists;
- Procurement of research and development services;
- The contractor has known and tested expertise in the field, represents value for money, and has been used previously;
- Extension of previous work undertaken with the supplier;
- The supplier offers in-kind contribution; and
- For reasons of extreme urgency whereby the goods or services cannot be obtained in time if either the open or limited tender process were followed.

EXECUTION OF AGREEMENTS

- The requirements for execution of legally binding contracts, promissory notes, bills of exchange and other negotiable instruments is as per the ARMS Delegation of Authority Policy.

PAYMENTS

- The requirements for payment of invoices and accounts is as per the requirements of ARMS Bylaws.

Version Control

Version	Date of Approval	Date for review	Circulation	Document owner
Version 1	12 March 2013	March 2017	All Convenors	ARMS Executive Office
Version 2	28 May 2021	28 May 2023	All Convenors/ARMS Board	ARMS Executive Office