

12 Month Progress Report

Operation Stark

University of Technology Sydney (UTS)

Please update this schedule with information about the status of each item as at today's date, **9th July 2014**. Include details of the latest action/update in respect of each initiative, dates where relevant and attach copies of any documents referred to, where possible, in support of implementation of particular initiatives. Please provide the name of a contact person in your agency from whom we can seek more detail if needed. Please return this document to the ICAC in writing and electronically by no later than 10th July 2014.

Recommendation 2.

That UTS continues its program to identify and implement procurement best practice for supplier and contractor panels and other supplier agreements.

Summary of progress

The recommendation is being: <check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action taken to implement recommendation

In the previous 12 months, UTS has implemented the following measures to help comply with the requirements of Recommendation 2, published as part of ICAC's report for Operation Stark;

a) The implementation of a pre-qualified Trade Services Panel
Sept 2013

The Trade Services Panel was established in September 2013 to accommodate for maintenance works valued less than \$20,000 per request.

The panel operates on an equal spend basis whereby each panel supplier is allocated, as close as possible, to an equal share of the total value of work for that Trade Services Panel category over any one year period commencing from the start of the contract.

Review meetings are held quarterly to assess each supplier's performance and to report on panel expenditure.

b) The implementation of the following pre-qualified Small Works Building Panels;

- (i) Less than \$250,000 – June 2013
- (ii) \$250,001 to \$1,000,000 – April 2014

The small works building panels cater for building and minor construction works valued up to \$1.0M.

Each supplier appointed to the small works buildings panels is awarded an equal number of opportunities to quote/tender for work. This is achieved by nominating suppliers for inclusion in a quotation/tender process on a randomised and rotational basis.

A formal performance management framework has been implemented as part of the Standing Offer Agreement with the panel suppliers. The purpose of the framework is to consistently assess quality and value for money and to promote continuous improvement.

c) Building & Construction Works above \$1.0M

Building and Construction works estimated above \$1.0M will continue to be sourced via the NSW Government 'Procurement System for Construction', or via a Request for Tender process in compliance with UTS Procurement Policy and Standard Operating Procedures.

d) Architectural & Quantity Surveying Panel

The sourcing project for the Architectural and Quantity Surveying Pre-Qualified Panel will commence in the second half of 2014. These services are currently procured in compliance with the UTS Procurement Policy (version date March 2014) and the UTS Standard Operating Procedures (Tendering Guides).

Architectural and Quantity Surveyors are nominated for a quotation/tender from a pre-registered list of suppliers. The selection of suppliers is determined by a 'Tender Panel Committee' consisting of representatives from Facilities Management and Strategic Procurement.

e) UTS Purchase Orders

From December 2012, suppliers engaged directly by UTS must receive a standard UTS purchase order before goods/services are provided.

Purchase orders can be generated for approved or preferred suppliers only and must be approved by an authorised staff member who has the appropriate financial delegation for the value of the request.

f) The recruitment of a Procurement Professional for Facilities Management Operations

In July 2013, a Procurement Specialist was recruited by UTS for a minimum 5 year term to assist with category management for Facilities Management Operations and to provide ad-hoc advice on policy, best practise and compliance. This dedicated resource will manage the operation of the preferred supplier panels and high value/high risk sourcing projects on behalf of the FMO department.

Supporting material

The following policies and guidelines have been published in support of the implementation;

- (i) Revised UTS Procurement Policy (version date 6/03/2014)

The new version of the UTS procurement Policy introduces the mandatory use of Standard Operating Procedures (SOP's) for Tendering. The method of procurement to be applied for tendering goods/services is determined by the estimated value of the request.

A higher level of governance over the policy has been achieved for the procurement of goods/services estimated in excess of \$100,000, via the introduction of a mandatory CFO approval for policy exemptions, procurement plans (i.e the approach to market) and recommendations to award.

- (ii) Standard Operating Procedures for preferred supplier panels
The standard operating procedures for the panels are written in compliance with UTS Procurement Policy and provide the user of the panel with clear instructions on the method of procurement, the panel's evaluation process and how to assess a supplier's performance.

Evaluation of implementation (Progress update)

Preferred suppliers appointed to UTS pre-qualified panels are assessed via a formal performance management framework as documented in the panel's standard operating procedure and as per the terms & conditions of the Standing Offer Agreement.

For high value / high risk procurement activities, a probity advisor is engaged by the project team to oversee probity and ethics and to ensure that all respondents are provided an equal and fair opportunity to tender for the work.

A complaints procedure for UTS suppliers is managed by Strategic Procurement and is clearly specified in the UTS invitation template for quotations/tenders. This procedure provides a mechanism for UTS suppliers to report any concerns regarding the selection process. For sourcing projects whereby a Probity Advisor has been appointed, tenderers are encouraged to contact the assigned probity advisor directly.

UTS is currently undertaking an independent audit of its Procurement functions across all departments. The purpose of the audit is to identify any areas of non-compliance and to identify areas of improvement.

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