

PROCEDURE:	PURCHASING
<b>NVR Ref:</b>	<b>Standard 7</b>
<b>IBI Ref:</b>	<b>IBI-3-P 3</b>
<b>Introduction</b>	<p>The Institute follows the principles of 'value for money' and 'fair trading'.</p> <p>'Value for money' describes purchases that have the best compromise between a variety of attributes which include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Fitness for purpose</li> <li>• Whole of life costs</li> <li>• Fair market price</li> <li>• Timely delivery</li> <li>• Post delivery support</li> <li>• Effective warranty</li> <li>• Conformity to law, including occupational health and safety</li> <li>• Time taken to make the purchase</li> </ul> <p>'Fair trading' means that equal opportunity is afforded to all suppliers.</p>
<b>Principles</b>	<p>In the procurement of goods and services, the Institute is committed to the principles of:</p> <ul style="list-style-type: none"> <li>• Open and effective competition</li> <li>• Obtaining value for money</li> <li>• Integrity and fair dealing</li> <li>• Utilisation of local services of supply</li> <li>• Environmental protection</li> <li>• Accountability</li> <li>• Occupational health and safety</li> </ul> <p>A variety of processes may be adopted for the acquisition of goods and services as indicated in the following section "Processes for Acquisitions".</p>

<b>Principles (cont)</b>	<b>PROCESSES FOR ACQUISITION</b>		
	<b>Purchase/payment method</b>	<b>Intended Use</b>	
	Petty Cash	Sundry items to the value of \$50.00	
	Credit Cards	<ul style="list-style-type: none"> <li>• Consumable items normally in the range of \$50.00 – \$1,000</li> <li>• Travel and accommodation charges</li> <li>• Subscriptions</li> </ul>	
	Fuel Cards	Purchase of fuel for company vehicles	
	Purchase Orders	Acquisition of: <ul style="list-style-type: none"> <li>• Expensive consumables</li> <li>• Assets</li> <li>• Goods and services where a long lead time is anticipated</li> <li>• Items &gt; \$1000 where a credit card is not used</li> <li>• Inventory stocks</li> <li>• Hazardous goods</li> </ul>	
	Contracts	Acquisition of: <ul style="list-style-type: none"> <li>• Major assets</li> <li>• Agreement for construction of assets, eg: buildings, equipment</li> <li>• Service agreements</li> <li>• Maintenance agreements</li> <li>• Agency agreements</li> <li>• Partnership agreements</li> <li>• Significant consulting agreements</li> </ul>	
	<p><b>Selecting a Supplier</b></p> <p>The process of selecting a supplier must ensure that 'value for money' is obtained and 'fair trading' is observed. A number of options exist and the process to be used will depend upon the nature and the value of the items to be purchased. Value thresholds used in this section relate to the total estimated cost of a purchase and not to individual line items.</p> <p>It is recognised that there will be occasions where there are insufficient suppliers to meet the criteria. In such cases, this should be recorded, and quotations from available suppliers obtained. Where oral quotations are received, details will be recorded on the purchasing documentation.</p> <p>The selected methods of supplier selection are:</p>		
	<b>Method</b>	<b>Alternatives</b>	<b>Considerations</b>
	Verbal quote	Single quote	Value less than \$500
	Multiple quotes (minimum of 2)	Value exceeds \$500 but is less than \$5,000	
Written quote	Single quote	Value less than \$1,000	
	Two quotes	Value exceeds \$1,000 but less than \$5,000	
	Three quotes	Value exceeds \$5,000	

**VERSION CONTROL**

**Review/ amendment history**

**Policy Approved by:** Chief Executive Officer

**Responsible Officer:** Chief Executive Officer

**Next Policy Review Date:** April 2017

Version	Date	Details
1.0	July 2014	Policy issued
2.0	Dec 2014	Updated to reflect Standards for Registered Training Organisations (RTOs) 2015
3.0	April 2015	Updated to reflect NVR 2015 Standards
4.0	April 2016	No material changes