



**Australian Association of the Order of Malta Limited
Tendering and Procurement Policy as approved at July 2022
(Policy Number: AAOML_P_020)**

Effective Date: 27 July 2022

Review Date: 31 July 2024

1 Purpose

This Policy applies to all Members, candidates, applicants, employees, contractors and volunteers of Order of Malta Australia who have authority delegated to them by the National Executive Council or under the authorised sub-delegations to enter into contracts with suppliers of goods or services, on behalf of Order of Malta Australia.

2 Intent of this Policy

When a Member, candidate, applicant, employee, contractor or volunteer of Order of Malta Australia acts in accordance with this Policy, they will be complying with the Order of Malta Australia Ethical Framework when they are procuring any goods or services on behalf of Order of Malta Australia and so contribute to Order of Malta Australia's objectives of ensuring:

- economically responsible procurement;
- ethical and socially responsible procurement;
- effective, soundly based and reasonably justified processes; and
- avoidance of any conflict of interest.

All Members, candidates, applicants, employees, contractors and volunteers of Order of Malta Australia acknowledge and understand that all procurements are to be made in accordance with both this Procurement Policy and the Financial Delegations of Authority Policy.

All Members, candidates, applicants, employees, contractors and volunteers of Order of Malta Australia must not seek to contract, or enter into any contract, on behalf of Order of Malta Australia except in accordance with this Policy and a delegated authority within the Financial Delegations of Authority Policy.

A Member, candidate, applicant, employee, contractor or volunteer of Order of Malta Australia who does not procure goods and services in accordance with this policy, may be subject to disciplinary or legal action.

3 Supplier Selection

A Member, candidate, applicant, employee, contractor or volunteer of Order of Malta Australia (the procurer) will select suppliers by using their best judgment and applying Order of Malta Australia economic, ethical and socially responsible principles in the selection process, within Order of Malta Australia's Ethical Framework:

- In procuring economically:
 - consider total cost, fitness for purpose, quality, price, risk and streamlined process while also keeping "cost vs benefit" as part of the consideration.
- In procuring ethically:
 - act fairly and with probity, in a manner which is soundly-based and reasonably justified;
 - be accountable through all stages of the procurement process;
 - declare any conflict of interest;
 - do not make or participate in a procurement decision (or seek to influence it in any way), unless permitted to do so by the Conflict of Interest Policy.
- In procuring with social responsibility:
 - engage suppliers who satisfy any Corporate Social Responsibility (CSR) requirements imposed by Order of Malta Australia.
 - consider suitable indigenous suppliers and support supplier diversity and social enterprises (visit www.supplynation.org.au and www.socialtraders.com.au to assist in this process).
 - give consideration to local enterprises.

For any purchase, a procurer will confirm if there is an existing supplier that could deliver Order of Malta Australia's requirements before creating a new supplier request.

Prior to the execution of any contract or extension, a procurer will engage with the National Treasurer to ensure a copy of the contract is held centrally and seek their assistance to negotiate a favourable outcome for Order of Malta Australia

Wherever possible, a procurer will use applicable Order of Malta Australia standard terms and conditions of contract as the base for any contract with a supplier.

All procurers should obtain legal advice through the National Treasurer in relation to any proposed procurement as early as possible, when legal advice is required under the Contract Management Policy.

4 Preferred Supplier Agreements

Wherever possible, the procurer will purchase through Order of Malta Australia preferred suppliers as the total cost of procurement is reduced by using these suppliers even though a competitor supplier's unit price may appear lower.

For a supplier to be classified as preferred, they are required to meet the following preferred supplier criteria:

- a current contract signed by the supplier and Order of Malta Australia; and
- an agreed catalogue of goods and services; and
- measureable and reportable key performance indicators (KPIs) including suitable financial and contractual consequences for non-compliance;
- provide consolidated billing as per our requested structure where applicable; and
- agree to our terms and conditions including 30 days from end of month payment terms.

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5 Requisitions and Quotations

For any purchase over \$1,000 the procurer will follow Section 9 'Requisition and Quotations Thresholds' and collect the required number of quotations.

For purchases under \$1,000, a procurer can either raise a requisition or seek permission to be reimbursed after using a credit card.

A procurer will be required to provide an additional quotation for purchases greater than \$50,000 and less than \$100,000 and involve them in the preliminary stages of any requirements gathering.

Procurers must not approve their own requisitions or split purchase orders to bypass the designated thresholds outlined in the Financial Delegations of Authority Policy.

Procurers will communicate to all suppliers that no contract can arise with Order of Malta Australia (and consequently payment may be withheld), should the supplier provide goods and services without an Order of Malta Australia generated purchase order prior to supply.

6 Requests for Quotation (RFQ) and Requests for Tender (RFT)

A procurer is required to request, through the National Treasurer, the Finance, Audit and Risk Committee of the National Executive Council review a request for quotation (RFQ) process when undertaking the purchase of goods or services greater than \$100,000 over the term of a contract or renewal of an existing contract and involve them in the preliminary stages of any requirements gathering.

The Finance, Audit and Risk Committee of the National Executive Council, through the National Treasurer, may direct that a request for tender (RFT) process be followed for expenditure greater than \$200,000 for a contract or renewal or extension of a current contract.

7 Goods and Services Receipt

Actual receipt of goods or services receipt is the key event in our accounting system that activates invoice payment authorisation. A procurer will only receipt goods following their delivery or on the completion of an agreed service. Where payment is required by a vendor prior to receipt of goods or services and no credit facility is available, the procurer must seek approval from the National Treasurer.

8 Exemption from Procurement Policy

Any request to be exempt from the Procurement Process must be supported by a strong rationale and needs written exemption, at minimum, by the National Treasurer prior to any purchase.

In exceptional circumstances in which:

- a purchase of essential goods and services is required to mitigate a detrimental consequence; and
- it is not practicable to comply with this policy,

the National Treasurer may exempt the purchase from this Policy, in accordance with the appropriate delegation of authority to the procurer in accordance with the Financial Delegations of Authority Policy.

9 Requestion and Quotation Thresholds

Estimated value over term of contract (ex GST)	Non - Preferred Suppliers	Preferred Suppliers
Less than \$1,000	Procurer to create an approved requisition prior to purchase or request reimbursement and use a credit card for purchase. For stock purchases, procurer to always create a requisition.	Procurer to create an approved requisition prior to purchase. For stock purchases, procurer to always create a requisition.
From \$1,000 to less than \$5,000	Procurer to create an approved requisition prior to purchase and seek a minimum 1 quote .	Procurer to create an approved requisition prior to purchase. Procurer does not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise procurer to seek 1 quote.
From \$5,000 to less than \$15,000	Procurer to create an approved requisition prior to purchase and seek a minimum 2 quotes .	Procurer to create an approved requisition prior to purchase. Procurer does not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise procurer to seek 2 quotes.
From \$15,000 to less than \$50,000	Procurer to create an approved requisition prior to purchase and seek a minimum 3 quotes .	Procurer to create an approved requisition prior to purchase. Procurer does not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise procurer to seek 3 quotes.
From \$50,000 to less than \$100,000	Procurer to create an approved requisition prior to purchase and seek a minimum 3 quotes . Procurer to seek guidance through the National Treasurer, from the Finance, Audit and Risk Committee of the National Executive Council to review the requisition.	Procurer to create an approved requisition prior to purchase. Procurer does not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise procurer to seek 3 quotes. Procurer to seek guidance from National Treasurer.
From \$100,000	Request for Quotation Required. Procurer is required to request, through the National Treasurer, the Finance, Audit and Risk Committee of the National Executive Council review the request for quotation (RFQ) process. The National Treasurer to be included in final negotiations. For value greater than \$200,000, the Finance, Audit and Risk Committee of the National Executive Council may call for a Public Tender.	Procurer to create an approved requisition prior to purchase. Procurer does not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise procurer to refer to the non preferred threshold quotation and approval requirements.

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10 Related Policies and Documents

1. Conflict of Interest Policy
2. Contract Management Policy
3. Financial Delegations of Authority Policy
4. Modern Slavery Policy

11 Review

This Policy will be reviewed periodically and updated when required.

The National Treasurer, National Hospitaller, Chancellor and Company Secretary are responsible for overseeing the review, and recommending changes to the National Executive Council.

This Policy is approved by the National Executive Council.