



Australian
Medical Council Limited

Policy

Procurement

20 March 2025

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Definitions and abbreviations

Term	Definition
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Tenders and quotes

AMC Staff	Full-time and part-time AMC staff, temporary employees, agents, contractors and consultants while engaged by AMC.
Best Value	<p>Best value is about selecting the supply of goods, services and works taking account of cost and non-cost factors including:</p> <ul style="list-style-type: none">• support of AMC vision and values;• the supplier's suitability as an organisation with which the AMC would want a business relationship and noting that the AMC has a commitment to Supply Nation;• the supplier's ability to support the AMC's overall commitment of achieving a minimum yearly target to Indigenous enterprises• the AMC's commitment to actively seeking quotes from Indigenous suppliers• the supplier's support of Indigenous enterprises where the supplier is non-Indigenous• non-cost factors: fitness for purpose, quality, expertise, service and support, social benefit, corporate social responsibility; and• cost-related factors: whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.
Confidential or Commercial-in-Confidence	Information which a party has identified as Confidential or Commercial-in-Confidence or which, if released, may prejudice the business dealings of a party including the AMC e.g., prices, discounts, rebates, profits, methodologies and process information.
Expression of Interest (EOI)	An invitation for persons or businesses to submit an EOI for the provision of the goods and/or services generally set out in the overview of requirements contained in the document. This invitation is not an offer or a contract.
GST	All monetary values stated in this policy exclude GST except where specifically stated otherwise.
Indigenous enterprise	For the purposes of the policy, an Indigenous enterprise is a business that is 51 per cent or more owned by Indigenous Australians or, for procurement in Aotearoa New Zealand, a certified Māori supplier
Minor hospitality and minor purchases	The usual upper limit for minor hospitality and minor purchases aligns with the AMC's externally benchmarked travel allowance limits. The AMC updates these figures annually based on Australian Taxation Office advice.
Procurement	In this policy, the formal process of purchasing goods, services and works.
Request for Proposal (RFP)	A request for proposal is generally sent to the supplier market, designed to capture commercial information and pricing. This allows the AMC to assess suitability and evaluate responses against a set of pre-defined requirements. This invitation is not an offer or a contract.
Significant contract/spend	Contracts or spend where the total value of the service/goods needing to be procured is more than \$100,000.

Tender Process	The process of inviting parties to submit a quotation by tender using public advertisement or direct request, followed by evaluation of submissions and possible selection of a successful tenderer. This invitation is not an offer or a contract.
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Qualitative matters

Corporate Social Responsibility (CSR)	Corporate Social Responsibility is action to demonstrate the AMC commitment to the community and the environment it affects.
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Sustainability	Activities that meet the needs of the present without knowingly compromising the ability of future generations to meet their needs. The AMC integrates sustainability considerations into the procurement of goods, services and works.
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Writing	Where an action is required to be in writing it may be done by email.
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1 Scope

This policy applies to all contracting and procurement activities at the AMC.

1.1 Aims

The AMC's contracting, purchasing and contract management activities aim to:

- support corporate strategies, aims, objectives and values
- take a long-term strategic view of procurement needs
- have a strong commitment to support the Indigenous business sector by providing Indigenous Australians and Māori with the opportunity to provide goods or services to the AMC
- promote the development of relationships with ethical suppliers of goods and services
- provide an open and accountable audit trail through regular reporting to the FARM Committee and Directors
- be conducted, and to be seen to be conducted, in an impartial, fair and ethical manner
- use appropriate procurement practices to achieve best value in the acquisition of goods, services and works
- ensure that risk is identified, assessed and managed in the procurement process
- support sustainability
- align with AMC's Aboriginal and/or Torres Strait Islander and Māori Strategy; and
- comply with legislation, and AMC policies and statements.



The AMC has a commitment of allocating a minimum of 5% per annum of AMC expenditure to Indigenous enterprises.

1.3 Oversight and delegations

The Directors have approved the AMC Directors Delegations to the CEO Policy ('Delegations Policy') including the key accountability structure and financial and non-financial delegations. These documents set responsibilities for procurement management to ensure accountability, traceability and auditability of procurement decisions.

Commitments and processes which must be approved by the Directors are:

- Initial signing and sealing of contract documents where the value is above the delegation to the CEO.
- Tender, expression of interest and request for proposal recommendations and contract approval where the value and/or term of the contract or arrangement is above the delegation to the CEO¹.

The CEO may, in writing, authorise departure from or a variation to the Procurement Policy, where appropriate, provided that the proposed procurement is reasonably believed to be within the CEO's delegation, e.g., procurement is within the CEO's delegation and there is only one provider and two quotes are therefore unnecessary.

For all other procurements the Directors may authorise departure from or variation to the Procurement Policy where appropriate.

¹ As at the date of this Policy, this is anything above \$1m. Noting the Directors Delegation to the CEO Policy is subject to change, for the avoidance of doubt please refer to the Directors Delegation to the CEO Policy.

2 Conduct of Directors, AMC staff and external contributors in procurement

To achieve its vision of *Excellence in healthcare through a highly trained medical workforce*, the AMC has set the following strategic objectives:

- Business with a Purpose – Managing our business in an ethical, efficient and sustainable way
- Medical Education and Training Responsive to Community Health Needs – Promoting medical education and training that is responsive to the workforce needs of the Australian community
- Professional Practice in a Changing World – Promoting professional and humanistic practice in a world of increasing technological, environmental and system change
- Promoting Aboriginal, Torres Strait Islander and Māori Health – Ensuring culturally safe practice to improve health outcomes

In all procurement activity, the AMC incorporates the key factors listed below.

These requirements apply to AMC Directors, staff and any external contributors involved in procurement activity.

The responsible staff member must ensure that any external contributors involved in the procurement are aware of this Policy.

2.1 Ethics and probity

Ethical behaviour and integrity will be demonstrated by:

- treating potential and existing suppliers and tenderers with equity and fairness, with the same information and equitable opportunity
- not seeking or receiving personal benefit or gain
- working with suppliers who can demonstrate an alignment to our values of: Innovation, Cultural safety, Striving for Excellence, Openness and accountability, Integrity, and collaboration.
- maintaining confidentiality of Confidential or Commercial-in-Confidence information such as contract prices and other sensitive information such as, but not limited to, discounts, rebates, profit, manufacturing and product information
- presenting the highest standards of probity
- dealing with suppliers in an honest and impartial manner that does not allow conflicts of interest
- being able to account for decisions.

2.2 Conflict of interest

A conflict of interest occurs when a person's non-AMC interests conflict with the responsibility to act in the best interests of the AMC. A conflict may be actual or perceived, and may be financial or non-financial. Those involved in the procurement process or approval must:

- Declare any actual or perceived financial and/or non-financial conflicts of interest for each tender, EOI or proposal process. For all declared conflicts the appropriate AMC manager and/or CEO may decide whether the person should continue to be involved in the specific procurement.
- Not take advantage of any tender-related information whether or not for personal gain.

2.3 Gifts and hospitality

Staff with delegated authority for purchasing must obtain the approval of the CEO or Deputy CEO for expenditure on gifts.

Discretion must be exercised in deciding whether to accept hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. The CEO must be informed of occasions when hospitality has been accepted (other than minor hospitality such as a working lunch or coffee). All hospitality other than meals must be declared, e.g. tickets to an event (sport, cultural, art, etc). The AMC will record in a central register all hospitality other than meals provided to more than two employees.

The CEO must be informed immediately of offers of bribes, commissions or other irregular approaches from organisations or individuals (no matter how flimsy the evidence available).

2.4 Disclosure of information

Confidential or Commercial-in-Confidence information received by the AMC must not be disclosed and must be stored securely as detailed in the AMC's Privacy and Records Management Policies.

The following data and information must be protected by refusing to release or discuss it except for purposes associated with the procurement:

- allocated AMC budgets for proposed tenders
- information disclosed by organisations in tenders, quotation or during tender negotiations
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

3 Procurement framework

3.1 Responsible financial management

The principle of responsible financial management applies to all procurement activities. This requires that staff (within their level of delegation) establish the availability of existing funds within an approved budget, or source of funds, prior to commencement of any procurement action for the supply of goods, services or works, and gain, and document appropriate approval and authority.

AMC funds must be used efficiently and effectively to procure goods, services and works, and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

3.2 Process principles

3.2.1 Best Value

All procurement decisions are based on achieving best value for money.

The benefits of the purchase are weighted against the costs necessary for the optimum result for the AMC. The AMC takes account of issues of quality, cost, accessibility of the service and other factors relevant to the AMC's vision and strategic objectives. Consideration is also given to all ethical positions the AMC takes including those stipulated in the Investment Reserve Policy.

In this context price should take into account the whole life cost of the provision so far as is practicable. This means minimising the total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations. Lowest price is not the sole determiner of best value.

The AMC will give Indigenous enterprises the chance to demonstrate best value, which includes social and economic considerations including the social impact they may deliver to their communities. Note that multiple quotes are still required in line with section 3.3.5.

Weighting criteria to support Indigenous communities will be determined as part of the assessment matrix.

The AMC has a commitment of allocating a minimum of 5% per annum² of its expenditure³ to Indigenous enterprises (includes AMC operating and capital expenditure).

To assist in achieving this aim, at least one quote must be obtained from an Indigenous enterprise. Where no Indigenous supplier is available, a supplier's commitment to and collaboration with Indigenous suppliers should be considered.

² *Subject to review on an annual basis.*

³ *Based on a rolling three year aggregate. The spend denominator excludes larger areas of expenditure not serviced by Indigenous suppliers (i.e., air travel).*

An Indigenous Policy and Programs team member and/or Indigenous representation must be included for procurements over \$10k.

Supply Nation maintains a list of Indigenous enterprises that meet this definition that can be accessed at <http://www.supplynation.org.au>. Staff should also consult with the Indigenous Policy and Program team to identify suitable suppliers who may not be listed on Supply Nation.

Amotai is a similar supplier organisation for Māori suppliers in Aotearoa New Zealand (<https://amotai.nz/>).

Achieving best value also requires *challenging* the need for the procurement and the way in which the service may be reconfigured to achieve improvements in service delivery, *comparing* service provision options against other options, *consulting* with key stakeholders and utilising *competition* in the open market, and in line with ethical and strategic commitments.

3.2.2 Open and Fair Competition

All prospective suppliers (Indigenous and Non-Indigenous) are treated fairly in an open and transparent manner and have access to the same information.

3.2.3 Consistency

The AMC maintains consistency in procurement practices across the organisation through coherent policies and procedures.

3.2.4 Accountability

Application of the approved policy and procedures must be demonstrable. Records must be kept of procurement approvals and decisions. Action may be taken, including reporting to the FARM Committee, where the Procurement Policy is not followed for significant spend.

AMC systems will enable record keeping, auditing and evaluation. Specifically, the quarterly spend (as defined by items that have been recorded in the profit or loss of AMC and its capital expenditure) will be reported to the FARM Committee and Directors to track progress against the AMC's Indigenous spend commitment.

3.2.5 Risk Management

Strategies for managing risks associated with all procurement processes are in place. The extent of risk management considerations will be dependent on the size of the procurement/project but may include:

- Project risk profile
- Foreign supplier risk
- Supplier resource constraints
- Technical and industry knowledge

Risks identified should be customised for each procurement activity in light of any project risks already identified. These should be documented and risk mitigation strategies implemented to address those risks.

3.2.6 Probity and Transparency

AMC procurement processes are conducted in a fair, honest and open manner.

3.3 Procurement methods

The AMC's standard methods for purchasing goods, services and works include:

- credit card
- approved supplier arrangements
- under contract following a tender, expression of interest or request for proposal process
- procurement by quotation
- other arrangements authorised by the CEO (within the financial delegation to the CEO) or the Directors (if above the CEO's delegation) on an as needs basis as required by abnormal circumstances such as emergencies.

3.3.1 Credit card

The AMC uses credit cards to facilitate and simplify purchasing. Credit cards should be used in line with the Credit Card Policy and Delegations' Policy.

The AMC recognises that in exceptional circumstances (e.g., emergency purchase when travelling, available food exceeds purchase limits) a cardholder may need to exceed the usual minor hospitality and minor purchase limits. Cardholders must report to their manager any instances where this occurs and the reasons.

Cardholders must obtain appropriate approval (refer AMC Delegations Policy) before using the card to pay for their own business expenses, e.g. professional membership, training.

The AMC purchases items such as assets, IT equipment, flights and accommodation, stationery and insurance centrally. Staff may not purchase these items separately on a credit card without approval of the manager of the AMC section responsible for the items.

3.3.2 Approved supplier(s)

The AMC may appoint an approved supplier or a panel of approved suppliers to provide specific goods or services.

Approved suppliers will be appointed through a competitive process, with regard to best value principles and this Procurement policy. The competitive process may be a tender (public or restricted), expression of interest or request for proposal process as appropriate.

Where the AMC has appointed approved supplier(s), quotations should be sought for specific procurements and evaluated against best value principles (including any bulk, aggregated or period discounts), but clause 3.3.4 below does not apply.

Where the AMC has appointed an approved supplier of goods or services, that approved supplier(s) must be used unless they are unable to supply the specified goods or services as and when required or where their quote for a specific procurement does not represent best value.

The responsible AMC Manager will review the approved supply agreements regularly (at least *every 2 years* unless the contracted term is longer) to ensure they continue to represent best value. The AMC Manager will also update the list of approved suppliers as soon as a change in supplier occurs.

3.3.3 Tender process

The AMC uses public or invited tender to purchase of all goods and services for which the estimated expenditure exceeds \$100,000, and for building and construction works for which the estimated expenditure exceeds \$200,000.

However, should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better result for the AMC, public or invited tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds.

3.3.4 Assessment criteria

While not an exhaustive list, the following should be considered for each procurement:

- Will the provision of standard services be sourced through competitive processes?
- Does the procurement for a good or service align with the AMC's targets for contracts/purchases to Indigenous enterprises?
- If an Indigenous Supplier is more expensive, what consideration (weighting) is given of the business delivering social impact for their communities?

For example, Indigenous businesses may have higher on-costs in creating employment pathways.

- For significant contracts, if a supplier is non-Indigenous, do they have a commitment to Indigenous employment, can they partner with a smaller Indigenous business to achieve contracted work, how are they improving community or social impacts and do they have cultural safety training in place for their staff and organisation?

Suppliers must submit an AMC Indigenous Participation Plan that sets out how they plan to meet the Indigenous participation requirements including ways in which they report their progress against the plan throughout the project. Evidence will be sought from suppliers as to the accuracy of statements made in the Participation Plan including providing the names of Indigenous companies or organisations they support or work with and/or Indigenous staff or roles they employ. The Indigenous Policy and Program team may assist to review and follow up where required.

- Where the procurement is for a good or service, how will the supplier ensure minimal defects?

As examples, this would include IT hardware (100% compliance with quality requirements); and air travel (98% compliance with quality requirements).

3.3.5 Quotations

Purchase of goods or services may be undertaken using the procurement by quotation method. The below should be read in conjunction with the AMC's Delegation Policy.

Threshold	Minimum number of written quotes	Specific process requirements	Specific records requirements**
Value up to \$10,000	One	<p>Quotes sought informally by phone or email.</p> <p>An attempt to provide sufficient opportunity to engage Indigenous enterprises</p>	<p>A copy of the quote to be provided to Finance before order is placed.</p> <p>Approval by authorised delegate.</p>
\$10,000 to \$100,000	Two	<p>Quotes sought informally by phone or email.</p> <p>Minimum requirement of at least one Indigenous enterprise participation</p> <p>Consultation with IPP team or Indigenous representative</p>	<p>A copy of the quote to be provided to Finance before order is placed.</p> <p>Approval by authorised delegate.</p> <p>Details of suppliers contacted and their quotations retained in the AMC Records management system.</p> <p>Documented selection process retained in the AMC records management system.</p>
Above \$100,000	Three	<p>AMC issues written RFQ, RFT, RFP as appropriate.</p> <p>Minimum requirement of at least one Indigenous enterprise participation</p> <p>Consultation with Indigenous Policy and Programs Manager or Indigenous representative.</p> <p>Public advertising is not required but may be desirable.</p> <p>Closing date to be set.</p>	<p>Advice to Finance at process commencement.</p> <p>Approval by authorised delegate.</p> <p>Supplier quotations and tender documents to be retained in the AMC records management system.</p> <p>Documented selection process retained in the AMC records management system.</p>

** subject to retention and disposal requirements

3.3.6 Exemptions from Quotation and Tender Requirements

The AMC does not seek quotes or require tenders on the following purchases:

- Government rates and utilities charges which are set by legislation or government regulation
- minor hospitality expenses linked to AMC meetings and events (e.g. purchase of coffee/tea)
- licence and subscription renewals (e.g. journals, software subscriptions under \$100,000)
- association memberships (new and renewals)
- conference and workshop registration
- purchase of artworks that have been approved for purchase by the CEO
- required consumables, parts and maintenance for existing equipment
- purchase or lease of real estate. These actions require Directors' approval. A different process, agreed to by Directors, will apply to manage the risks and determine advantages and disadvantages of these decisions.

3.3.7 Supply by Contract

The provision of goods, services and works by contract potentially exposes the AMC to risk.

The AMC will minimise its risk exposure by measures such as:

- standardising contracts
- use of or reference to relevant Australian Standards (or equivalent)
- requiring security deposits where appropriate
- referring specifications to relevant experts
- incorporating dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalating and leading to legal action.
- use of service level agreements
- including contract management requirements
- avoiding Time and Materials contracts where possible given the risk of costs exceeding budget. Where this is the only option, the staff member responsible for the delivery of the goods or service must monitor the supplier's costs to ensure the spend does not exceed budget.
- ensuring approval of contracts in line with the authorities detailed in the Delegation Policy
- ensuring terms and conditions are settled in advance of any commitment being made with a supplier.
- requiring contractual agreement and execution before the commencement of work
- inclusion of contract reviews in terms and conditions as determined by the nature (e.g. value, duration) of the contract

- effectively managing the contract including monitoring and enforcing performance. The member of staff responsible for the delivery of the contracted goods, services or works is to proactively manage the contract to ensure the AMC receives value for money. This includes registering the contract on AMC's contracts database and factoring in periodic contract reviews (where it is a multi-year contract and deemed a material contract) as part of the negotiated terms and conditions. A contract review may include assessment of the services and/or goods being delivered against the fees charged or all terms and conditions of the contract.

4 Performance Measures and Continuous Improvement

Procurement performance measures track all relevant aspects of obtaining or buying goods and services. The measures together should give assurance that the quantity, quality, costs, timing and sourcing of purchases meet the AMC's needs.

The AMC key performance measures to monitor procurement policies, compliance and controls, include:

- For consultancy services, has the procurement of consultancy services met the needs of the AMC?

A panel review process that includes Indigenous staff or external consultant/s to review new procurements. The Panel can help address issues like underperformance of existing procurement with finance and other staff, and communicate effectively with stakeholder businesses to improve services.

- Where a procurement is through an 'order' process, the services or goods are received by the AMC in the time required.

Refer also to Section 3.3.4 which details some considerations staff may need to make during the procurement process.

Quarterly reporting will be provided to the FARM Committee, AMC Directors and the Aboriginal and/or Torres Strait Islander and Māori Committee on Indigenous spend and on Indigenous procurements over \$10k.

Subject to the annual AMC Budget position and AMC's year-to-date actual performance, where the AMC does not meet its minimum target with regards to Indigenous spend, Directors (with recommendation from the Indigenous and/or Torres Strait Islander and Māori Committee) may need to identify business/project opportunities or community development opportunities that the AMC can contribute to using the shortfall in achieving the target.

The performance measurements developed will be used to:

- Highlight trend and exceptions where necessary to enhance performance.
- Improve the internal efficiency of the procurement process and where relevant the performance of suppliers.
- Facilitate programs to drive improvement in procurement to eliminate waste and inefficiencies across key spend categories.
- Report periodically (at a minimum annually) to the FARM Committee to assess AMC's progress towards its procurement commitments.

5 Policy Approval

AUTHORISATION: Approved by AMC Directors: 20 March 2025



Philip Pigou
Chief Executive Officer
Australian Medical Council Limited