

**Minimum Requirements for Suppliers**

All suppliers must be able to demonstrate they can comply with meeting the requirements of the four “Pillars of Success” outlined below. These Pillars of Success represent the supporting pillars that will underpin their ability to supply Goods or Services to ACU in a manner that is efficacious, sustainable, cost effective and aligned with ACU’s ethos.

**Continued success in being a supplier to ACU is dependent on its ability to provide quality goods and services, using an effective delivery platform, in a manner that manages its costs effectively, and hence its prices to ACU, and that it is organisationally excellent and aligned**.

These Pillars of Success that are applicable to Suppliers, help underpin the five Pillars of Support that generate effective sourcing outcomes for ACU as outlined in the Procurement Policy and referenced by the following documents:

* Procurement Policy [ACU-PUR-015](https://myacu.sharepoint.com/sites/ACU-FIN/ACU%20Procurement/ACU%20Procurement%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FACU%2DFIN%2FACU%20Procurement%2FACU%20Procurement%20Documents%2FACU%2DPUR%2D015%20clean%20pdf%2Epdf&parent=%2Fsites%2FACU%2DFIN%2FACU%20Procurement%2FACU%20Procurement%20Documents)
* Procurement Policy Sourcing Requirements [ACU-PUR-001](https://myacu.sharepoint.com/%3Ap%3A/r/sites/ACU-FIN/ACU%20Procurement/ACU%20Procurement%20Documents/ACU-PUR-001.pptx?d=w883605b900064263b88c0a54ea68889a&csf=1&web=1&e=FD8aSK)

These minimum requirements are required to be applied to sourcing activities for monetary commitments specified in Tier 3 and above in the Procurement Policy.

Suppliers will be required to meet all of the requirements below, where applicable, and to an extent and complexity commensurate with the circumstances of what is supplied.

Any sourcing activity undertaken by ACU is required to seek a response from suppliers in relation to their ability to comply with these Pillars of Success.

Outlined below are the four Pillars themselves and what each of them may mean in the context of whether Goods or Services are being supplied. They are comprehensive and it is expected the level of detail may not be warranted or applicable in all supplier situations. The expectation is placed on the person/s managing the sourcing activity to modify, only, the detail as appropriate. Sub-headings may only be omitted if they have no relevance to the sourcing activity being contemplated.

They have been written in a form that enables them to be communicated to suppliers.

Some of these sub-headings are specifically tailored to Goods whilst others to Services. It will be the responsibility of the person/s managing the sourcing project to exclude the inappropriate headings.

Clarification should be obtained from [Finance](https://staff.acu.edu.au/our_university/directoratesoffices_and_their_units/finance/about_us/finance_staff) on the above where circumstances are unclear.

These Pillars of Success are mirrored in the:

* Request for Tender (RFT) for the Purchase Of Goods Template [ACU-PUR-012](https://myacu.sharepoint.com/%3Aw%3A/r/sites/ACU-FIN/ACU%20Procurement/ACU%20Procurement%20Documents/ACU-PUR-012.doc?d=w99576ff77ce549f0a6db8423cd66497b&csf=1&web=1&e=4H2ddc)
* Request for Tender (RFT) for the Provision of Services Template [ACU-PUR-016](https://myacu.sharepoint.com/%3Aw%3A/r/sites/ACU-FIN/ACU%20Procurement/ACU%20Procurement%20Documents/ACU-PUR-016.doc?d=w6dffcb6bc85a49d8bfed6bae27e68df1&csf=1&web=1&e=DG7v86)

**The Pillars of Success**

A successful, mutually beneficial and lasting ACU and Supplier relationship will be built upon four foundation areas, known as the Pillars of Success.These are:

1. Quality of Goods or Services Provided.
2. Effectiveness of the Supply Chain or Service Provision Process.
3. The Supplier’s Ability to Manage Costs and Price.
4. The Supplier’s Organisational Excellence.

**1. Quality of Goods or Services Provided**

It is vital that the quality of Goods or Services provided to ACU ensures they are fit for purpose. This includes, but is not limited to, meeting the following criteria.

**For Goods:**

**1.1. Meets Specifications**

Supplied items must meet the specifications required by ACU. A Product Specification Sheet is required for each item that is supplied. The specification sheet must include the country of manufacture and the name of the source manufacturer.

For traceability and compliance purposes, please confirm that items you supply are labelled, at a minimum, with:

* your organisation’s (or equivalent) name, address, contact details
* item name
* item code
* batch number
* instructions for use
* safety instructions
* information required by government regulations

**1.2. Reliability - Continues to Function**

Please provide information about the reliability of items you supply, with respect to efficacy (how well they work) and longevity or shelf-life.

**1.3. Durability - Well Constructed**

For items that are constructed, or supplied in packaging that forms an integral aspect of their use, the ability of those items to withstand ongoing handling and use without a failure occurring (durability) is of high importance. Please indicate why your items are durable and provide evidence to support your comments.

**1.4. Ease of Use**

Supplied items may be used in various circumstances by staff of varying degrees of experience and knowledge. It is important the items you supply do not represent unnecessary difficulties when being used. Please indicate how you rate the ease of use of the items you supply and provide justification for your assessment. This may apply to the item itself or some associated aspect, such as packaging.

**1.5. Aesthetics**

Depending on the nature of the item, the “look” and “feel” of the item, or some associated aspect, such as packaging, may be regarded as important. Please indicate to what extent these considerations are taken into account during any design or sourcing activities you undertake in relation to supply of the items. Please provide any relevant information, that may include pictures and related marketing documentation or samples, to support any claim you may make.

**1.6. Safety Performance Requirements**

Goods and Services supplied are required to meet the Safety Performance Requirements for their intended application. Safety Performance Requirements are those characteristics of the purchased item that need to be present to ensure safe functioning in the intended application. They include meeting any mandatory Company or external standard (such as Australian Standards and/or regulatory requirements). They also include those detailed specifications applicable to manufactured items that are necessary to guarantee the continued safe operation of the process in which they are used. For Services, they include ensuring that Services are provided by suitably qualified staff to a suitably accredited service standard.

Safety Data Sheets, in a format that is compliant with Australian governing law, are required to be provided in relation to any chemicals that are supplied, whether or not the chemicals are classified Hazardous, Non-Hazardous or Dangerous Goods under Australian regulations. Safety Data Sheets supplied are required to be reviewed and updated in the time period as required by Australian governing law.

**1.7. Ergonomic Considerations**

Some items may require special or unusual handling by staff. These handling requirements may represent some form of potential health impact. Please indicate what ergonomic considerations apply to the design and use of the items you intend to supply.

**1.8. Sustainability Considerations**

Please indicate what, if any, sustainability factors are incorporated into the Goods being supplied, with respect to:

* Whether or not they are produced by sustainable processes.
* Whether or not they help minimise, or are made by processes that minimise, energy and water consumption.
* Whether or not they are made from re-cycled material.
* Whether or not they may be re-used or recycled.
* Whether or not they are non-polluting and contribute to improved air and water quality.

**For Services:**

**1.9. Services Standard**

Please indicate what standard you set for your Services to meet. Please provide your service standard specification for each Service you provide.

**1.10. Services Accreditation**

Please indicate what, if any, external accreditation applies to the Services you provide. Please provide documentary proof of this accreditation. How often must the accreditation be renewed. To what date does your accreditation currently apply. Do you intend to seek re-accreditation prior to the expiry of the current period.

**1.11. Licence to Perform Services**

Organisation based and staff based licences may be required to performed the agreed Services. Please confirm your organisation have the required licences:

* What licences you hold as an organisation, relevant to the Services.
* What licences, relevant to the Services, your staff individually hold.
* What process you use to identify what licences are required to be held, by your organisation, your direct employees and any contractors you may engage, to perform the Services.
* What process you use to ensure the required licences are held by the organisation and each person and what process you use to track renewal of licences to ensure they occur within the required time-frame.

**2. Effectiveness of the Supply Chain or Service Provision Process**

ACU operates across a number of campuses in various States and Territories in Australia. The logistics of the supply chain or service provision process need to ensure that Goods or Services are available when needed at these locations. The dynamic nature of the ACU environment can mean that actual requirements and forecasted requirements may, at times, differ and that new Goods or Services may be required at short notice. The requirements listed below are aimed at determining whether your organisation has the capacity to ensure the ongoing effective supply to ACU of the required Goods or Services in a manner that represents greatest operational efficiency and simplicity for ACU and its staff.

**For Goods :**

**2.1. Stock Availability - Meeting Call-Off Requirements**

We require that you are able to supply forecasted requirements when they are needed. We expect to call-up only what is required. Please indicate how you will optimise your ordering, inventory and production requirements to ensure we may only call-up as required.

**2.2. Speed and Method of Delivery**

Please explain how your delivery process would work. Please indicate the times frames you would commit to for non-urgent deliveries

**2.3. Vendor Held Stock**

It is essential there is sufficient stock on hand at all times to meet both our forecasted requirements and provide some cover for emergency or unplanned requirements. Please indicate what plan you would put in place to ensure sufficient stock is held to meet our annualised, forecasted requirements. Please indicate how you provide for emergency situations and what safety stock period you would be willing to commit inventory against.

**2.4. Urgent Deliveries and Long Lead-Time Requirements**

* Please explain how urgent delivery requirements would be managed. What time frame would you be prepared to commit to in relation to urgent deliveries.
* Please explain how you would manage the supply of items that require long lead-times. How would you expedite the supply of long lead-time items in an emergency.

**2.5. Site Stock Management**

Knowing and managing inventory levels on site is fundamental to ensuring items are available to meet our requirements whilst avoiding excessive stock levels. Please explain what system you would use to:

* Determine inventory levels held by us on our premises.
* Manage, or assist ACU to manage, our stock levels on site to an acceptable level.

**2.6. Consignment Stock**

Please indicate what you would be prepared to offer by way of a program based on Consignment Stock, being stock where inventory is held on our premises but is not paid for until consumed. Please indicate how you would manage this program to ensure accuracy and integrity.

**2.7. Non-Stocked Items**

Please explain your process for supplying items that are not generally stocked or supplied but may be needed from time-to-time. These items may be low volume and be required at short notice but may have long lead-times. Please indicate the pricing methodology you would use when supplying non-stocked items.

**2.8. Simplicity of the Procure To Pay Process**

We are seeking as an outcome of this tender process that the Procurement, Delivery and Payment process is as simple an uncomplicated as possible. We want to ensure we have items available when needed and that stock levels, ordering, deliveries and payments are managed consistent with this requirement. We want to avoid practices that require us to have an unnecessary understanding of the operational requirements of your internal processes. Please explain why you believe that the supply chain arrangements and Procure-To-Pay processes you propose will meet this requirement.

**2.9. Order Tracking and Expedition**

The ability to keep abreast of order requirements, to acknowledge their receipt promptly, to track their progress, to expedite them where necessary, to act promptly when delays or issues arise and to keep us properly and timely informed as to their status at all times is of critical importance. Please indicate how your processes would meet these requirements.

**2.10. National Coverage**

The ability to supply ACU at a national level is vital. ACU currently operates campuses in NSW, Queensland, Victoria, South Australia and the ACT. However we are seeking suppliers with an ability to cover all states in Australia with an ability to deliver to all ACU campuses in the capital cities and major regional centres. Please indicate your capability to supply to ACU campuses on a national basis.

**2.11. Commitment to Ethical Sourcing**

A positive response to this requirement is considered mandatory.

* Please describe your organisation’s commitment to ethical sourcing (including, but not limited to, anti-slavery, fair and safe working conditions, anti-corruption, human rights and environmental sustainability) and how this commitment informs your organisation’s business practices, to safeguard the wellbeing of all the people working along your supply chain.
* Please specify the steps you specifically take to verify compliance with the above requirements of your supply chain from source to delivery to customer.

**For Services:**

**2.12. Service Delivery Expertise**

Please indicate the qualifications and level of experience of those staff that will be engaged in the provision of the Services.

Please indicate how you ensure staff engaged with the delivery of the Services remain abreast of developments and receive ongoing appropriate training.

**2.13. Service Delivery Resources**

Please indicate the resources you will use to deliver the Services.

For staff, please specify the number and titles of the personnel who you will use to deliver the Services.

For material resources, please indicate:

* The nature of the material resource.
* Its maintenance requirements.
* Whether all maintenance and associated costs are included in the provision of the Service.

**2.14. Service Delivery Method**

Please outline the method by which the Services will be delivered. Please explain why you believe this method will maximise the effective delivery of the Services.

**2.15. Service Delivery Schedule**

Please indicate the schedule of times and activities to deliver the Services. Please indicate what flexibility you have in modifying this schedule to meet changing or changed circumstances.

**2.16 Service Delivery Outcomes**

What outcomes have you successfully achieved in delivering similar Services. What evidence to you have to support your answer.

**3. Cost and Price Management**

The ability to proactively manage costs associated with the Goods and Services you provide is of paramount importance.

**3.1 Procurement Practices and Cost of Materials – Buying Power**

What processes do you use to manage your procurement requirements effectively. How do you ensure that you are able to leverage your buying power to achieve competitive prices consistent with your market power. Why do you believe you are able to offer Goods, Services and Goods that may be needed to help deliver Services, at costs that represent value to ACU.

Please explain how your sourcing practices allow you to offer cost competitive prices.

**3.2 Cost Mitigation and** **Cost Control**

Please explain how your procurement practices allow you to reduce or maintain ongoing costs.

What processes do you use to monitor your costs and identify opportunities for improvement. Please provide evidence where you have been successful in effective cost control and what innovative measures were undertaken.

 3**.3 Price Stability**

What guarantees are you prepared to state in relation to you maintaining stable prices. Please explain how you will ensure that all prices, including future prices, remain below market rates and reflect the value of ACU to your business.

**3.4 Price Review Mechanism**

What mechanism do you propose for reviewing prices on an annual basis. What supporting documentation are you prepared to provide to support any claim for a price adjustment.Your price review mechanism must include provision for a price reduction where movements in key cost drivers warrant such a reduction. Are you prepared to make your costs and price margins transparent.

**3.5 Price Performance in Market**

* Please indicate to what price below market you are prepared to commit.
* Please explain how your Schedule of Rates fee offerings, where applicable, are market competitive.
* Please explain your approach to deliver value for money outcomes.

**3.6 National Pricing**

We are seeking suppliers who can supply on a national geographical basis and who are able to deliver to all ACU campuses in the capital cities and major regional centres. We are therefore seeking a national approach to pricing. Please indicate your model for national pricing.

**3.7 Savings KPI**

Please explain what process you will use to identify opportunities to generate savings in the total costs of supplying your goods. Please indicate what value of savings you would be prepared to guarantee. By guarantee, it is meant that if you cannot demonstrate that you have achieved the guaranteed savings target, then any difference between what ACU will accept as achieved savings and the guaranteed savings target will be refunded to ACU in the form of a rebate or credit.

**3.8 Rebate Schemes**

Two schemes are proposed.

* **Rebate Based On Sales Volume.** Please indicate what rebate, or other financially based scheme, you offer in relation to your meeting sales volume thresholds. Please indicate the volume thresholds that will invoke the Rebate and size of the Rebate as a percentage of total sales.
* **Rebate Based On KPIs.** Failure to meet agreed KPIs will attract a Rebate. Please indicate what Rebate as a percentage of total sales you would be prepared to offer based on a failure to meet, or partial meeting of, KPIs in accordance with the Balanced Scorecard appraisal.

**3.9 Business Plan**

Do you use a business plan to run your business and manage costs. If so, please provide a copy.

**4. Organisational Excellence and Alignment**

ACU is seeking a supplier relationship that will be aligned to, and help it achieve, its objectives.

**4.1 Alignment With ACU Mission**

ACU Values that align with its Mission include:

* *the pursuit of knowledge; dignity of the person; service for the common good; students, staff and alumni enjoying an exceptional experience.*

Please explain why you believe your business is aligned to these values. Please provide applicable supporting evidence.

ACU values community support, fair and equitable employment practices, and has a clear commitment to improving gender equality.

Please explain how your organisation is able to effect these values and practices; including providing your organisation’s Gender Equality Policy and/or statements on actions your organisation is taking to promote and improve gender equality.

**4.2 Supplier Preference**

Please provide evidence that the ACU business is important to senior management within your organisation. Based on your understanding of the financial value of the ACU business, in broad terms, where would you rate ACU compared to your other customers (eg top 5, bottom 10). Based on your understanding of the financial value of the ACU business, in broad terms, how would you compare the ACU business to your overall revenue (eg 1% of revenue, 15% of revenue).

**4.3 Account Management**

Please define the account management function you would use for ACU. Please explain what protocols you would enact to ensure KPI performance was measured, reviewed and acted upon to ensure agreed objectives were continuing to be met. Please explain how would ensure back-up account management takes place. Please identify how your emergency account management would work, in the event your regular contact staff were not available. Please indicate what reports you would be willing to provide on a monthly, quarterly and annual basis to assist both the management and review of supply and contract performance.

**4.4 Workplace Health, Safety and Environment (WHSE)**

Please indicate how you ensure your environmental and safety obligations are met, both from a legal requirement standpoint and from your own initiatives aimed at best practice. Please provide a copy of your Occupational Health and Safety and Environment Policy. Please provide evidence of your environment and safety performance, including safety data such as injury and incident reporting statistics. Please indicate whether you have an Environment Management System and a Safety Management System in place and if so, whether they have been certified against an appropriate standard. Please indicate what specific initiatives you have undertaken in relation to EHS. For example, waste reduction, recycling and injury prevention programs and safety training.

* Does your organisation have a position designated as a WHSE role and occupied by a suitably qualified person. Please indicate whether this role is permanent within your organisation and whether this position is full-time or part-time.
* Please indicate what accreditations, if any, your organisation has in relation to Environmental Sustainability.
* Please indicate what reporting systems are in place that routinely generate data in relation to Environmental Sustainability initiatives.

**4.5 Quality Management System (QMS)**

Please indicate whether you have a documented Quality Management System in place. Please indicate if your QMS has been certified against one of the AS ISO 9000 Series standards. If so, please indicate the relevant standard, the date of your last re-certification audit and your certifying organisation. Please provide a copy of your latest QMS certificate. Please provide any additional information you feel would be of assistance.

**4.6 Infrastructure Capacity**

Please indicate the infrastructure capability of your organisation, specifically in relation to your ability to both meet and add value to ACU’s requirements.

**4.7 Record Management System and Data Integrity**

This is part of your QMS. However, ACU regards this as such an important part of the service to be offered, it will be separately assessed. Please explain how you will maintain records, what records you will keep, how they will be kept and what access ACU will have to them. Please indicate what mode of access ACU will have to such records.

Good record keeping practices have no meaning unless the data can be relied upon as being accurate at all times. Please explain what processes you use to ensure your data is accurate. How do you check to verify that your data is accurate and your record keeping up to date.

**4.8 Performance Improvement and Innovation**

ACU is keen to continually seek ways to improve its operational efficiency and reduce its operating costs. Please indicate how you would identify opportunities for improvement. Please provide examples of successful innovations that you have implemented, that resulted from your initiative. Please give examples of what innovations you believe would be of value to ACU and indicate what would need to be done by both yourselves and ACU in order to implement.

**4.9 Personnel Knowledge and Experience**

It is important that capable, knowledgeable and experienced staff are available at all levels within your organisation who will be managing some aspect of the ACU relationship to ensure our requirements are met, our account is effectively managed and issues, where they arise, are dealt with professionally and promptly. Please provide information to support why you believe your organisation meets this requirement. Please indicate what you do to ensure you have and maintain well-trained and capable personnel. How will you ensure there is continuity of support to ACU when staff are absent of if key staff leave your organisation.

**4.10 Technology Excellence**

Companies that are abreast of, and invest in, technology developments can assist ACU greatly by being able to offer new solutions to meeting existing requirements that may allow shorter lead-times, greater responsiveness and reduced cost. Please indicate what technology capability you have that you believe can be of benefit to ACU.

**4.11 Emergency Preparedness**

Please indicate what provisions you make to allow your business to continue to operate, and therefore to continue to supply ACU, in the event of unforeseen circumstances or emergencies. Such circumstances may include industrial relations issues, supply chain disruptions and acts of nature.

**4.12 Change Control**

Please indicate how you manage changed requirements in any aspect of the buyer/supplier relationship. How do you ensure altered requirements are captured and implemented throughout the various functions in your organisation that play a role in your company’s ability to meet ACU requirements.