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AUSTRALIAN UNIVERSITY PROCUREMENT NETWORK

Annual University Procurement Open Forum

Monday 6th July 2009

The Langham Melbourne Hotel, Melbourne, Victoria

2:30pm – 5:00pm AEST

AUPN Executive Committee Members

Mr Bill Aukett, University of Adelaide (Chair)
Mr Peter Naujoks, Monash University (Deputy Chair)
Ms Cynthia Hansen, HES CEO
Mr Marc Diaz, Curtin University
Mr Joe Arena, La Trobe University
Mr Rob Ackland, Flinders University
Ms Trish Thomson, Griffith University
Mr Ross Williams, University of New England
Mr Nat McGregor, The University of Newcastle
Ms Rosalie Gillings, University of South Australia
Ms Millie Raskov, University of Technology, Sydney
Ms Joyce Dacruz, The University of Western Australia

In Attendance

Ms Jan Rose, HES

Invitees

Higher Education Procurement Managers – Australia

Apologies

Mr Joe Arena, La Trobe University
Mr Rob Ackland, Flinders University
Ms Millie Raskov, University of Technology, Sydney

Related Material

HES 23942	AUPN - Strategic Business Plan 2009-2011
HES-22795	AUPN – Executive Committee Terms of Reference
HES-25856	AUPN - meeting 2/2009 - Vupf Update

Special Note:

This meeting was held to provide an opportunity for all Higher Education Procurement Managers and staff to hear reports on various national initiatives across the sector and activity reports from regional university procurement groups.

This is the second annual meeting for Australian University Procurement Managers and their team members.

NOTES

1 Opening and housekeeping

Apologies were noted from the Executive Committee members who were not able to be present.

2 Welcome by AUPN Executive Chair

The Chair of the AUPN Executive Committee, Bill Aukett, welcomed all those attending the meeting; there were 29 university representatives present.

The Chair provided an outline of the activities within the AUPN since the last annual Open Forum, introduced the new Executive Committee members and gave an overview of the new structure and the formation of the Standing Committees.

3 Funding Contribution Model, status and funding (HES CEO)

The CEO of Higher Ed Services, Cynthia Hansen, provided a report on the role being played by HES in the development of the AUPN in its new format, the Contribution Model which was effected in May this year, and the various funding sources and values to date.

In the 6 weeks since the invitations to contribute were sent to VCs, 26 universities have agreed to take part. This will provide a substantial proportion of the budget outlined in the AUPN Business Plan for 2009-2011. As the HES representative for the AUPN, Jan Rose will be contacting each of those from whom no response has been received to offer assistance if needed.

Ms Hansen detailed the level of interest being shown by the APCC government body in working collaboratively with the AUPN towards a common capability framework and potential benchmarking opportunities between sectors. Other groups being approached include TEFMA, CAUDIT, CIPSA and environmental groups in the sector.

4 Updates on Activities: Regional University Procurement Groups

Representatives from each of the regions who have formed regional procurement networking groups will provide an update on their current and proposed activities.

4.1 Western Australia – Joyce Dacruz (UWA)

Since the last meeting, there have been changes in Procurement at both ECU and Murdoch. The WA universities use their informal structure to communicate when necessary.

4.2 NSW and ACT - Nat McGregor (UoN)

The NSW/ACT group has not met this year; changes in the NSW universities have caused some disruption. A survey has been sent to each NSW/ACT university seeking comments on the direction for the group. The group continues to communicate informally.

4.3 South Australia – Bill Aukett (UoA)

No formal group exists in SA but their proximity allows them to arrange informal meetings when the need arises. The universities are at different stages of development and the opportunity for collaborative projects has not yet arisen. Communications are informal.

4.4 Qld and NT – Trish Thomson (Griffith)

There are 9 universities in Queensland/NT and, until now, no network has existed. The universities have all been surveyed and expressed interest in formalizing a group for the purpose of networking and potential collaborative arrangements. Strong interest has been expressed in the AUPN model.

The Queensland government has made several changes to their Travel policies including placing a hold on Business Class travel. The universities expect this to feed back in to the sector and airlines are now beginning to approach the universities directly.

There appears to be more openness to collaboration and a desire to drive value from the information gathered from the benchmarking to date.

Recommendation: The AUPN to provide an opportunity for the Queensland universities (and NT) to get together under the AUPN banner.

4.5 Victoria – Phil Manser (RMIT) (refer HES-25856)

The Vupf has gone through a period of consolidation; there are 8 universities in Victoria.

Thanks were expressed to Bill Aukett, as the Chair of the AUPN, and to Cynthia Hansen, CEO, HES, for attending a meeting of the Vupf to discuss the new AUPN Model. Although the Vupf has stated its support of the AUPN, the decision to join would be an individual university choice.

The priority activities for 2008 were Spend Profiling, Travel and Print. The Victorian universities have adopted an Open Use clause for contracts, i.e. a contract originating with one university and containing this clause, is available to other Victorian universities during the life of the contract.

The Vupf has a State-based focus, appreciation for the AUPN at a national level and the support provided by HES

4.6 General

It was noted that the relationships between State governments and universities varied and it was necessary for the AUPN to understand these differences particularly in relation to national agreements.

5 Planning for the Future: Input to Standing Committees and Working Parties

5.1 Introduction: Procurement-led solutions (AUPN Executive Committee Chair)

The Chair described the role of the three Standing Committees, as outlined in the AUPN Business Plan, in achieving strategies and goals and noted the support from VCs as evidenced by the responses to the Contribution model.

Those present were invited to contact the Chairs after the Forum if they would like to be considered for involvement with any the Committees.

It was suggested that workshops be held for all 3 Standing Committees to provide case studies to consider how to move forward.

5.2 Procurement Capabilities Standing Committee – Marc Diaz (Chair)

In recognising that no solution would fit everyone, it was appropriate for the profession within the sector to appraise itself of what is considered to be best practice and how this might be adopted.

The national standards, through CIPSA meant there was no re-invention necessary but there is potential to make this better known across the sector. The Standing Committee would consider a national framework showing who was providing courses, at what level and how well these suited the sector. It would consider how assessments are done and a viable structure for HE. A Gap Analysis across sector was proposed.

It was noted that many Local and State governments had assumed standards at various levels and it would be timely to consider how these might suit Higher Education. The outcomes from the National Benchmarking would provide a useful knowledge base, both organisational and strategically.

A Capabilities Framework presented opportunities for promoting strategic procurement to universities' Executive and to lift the profile of Procurement sector-wide.

5.3 Sustainable Procurement Standing Committee – Trish Thomson (Chair)

Sustainability is under consideration in many areas inside and outside the sector. The Standing Committee would like to consider:

- what is already taking place and where the sector and others are positioned
- what the Standing Committee can do and at what level

Proposed activities include:

- making suppliers aware of the sector activities through KPIs and Reporting requirements in tenders to ensure there is an on-going regard
- provide a comprehensive set of Definitions

- provide education and clarifications such as
 - understanding what questions to ask
 - understanding the whole of life costs for such items as Prius cars, 100% recycled paper,
 - understanding where and how to question accreditation processes
- provide guidance for university environmental departments and groups
- understanding corporate responsibility of supplier
- establishing a framework against which to measure annually
- provide a community awareness for sustainability through understanding the relevance, value and how to evaluate local support for businesses
- provide recommendations/suggestions on how to achieve targets
- involve the university in supporting
 - using a cultural approach through Academia and administration working with students
 - Research grants from carbon off-sets
 - encouraging course design to contain an environmental element
- use the size of the sector to engineer an outcome to apply pressure

5.4 Business Process Improvement Standing Committee – Bill Aukett (Rob Ackland apologies)

It was proposed that workshops be held to focus on specific topics based on the outcomes from the Procurement Function workshop, the priorities to be agreed through the AUPN Executive Committee on the advice of the Standing Committee. One initiative would be chosen to be addressed. There is a need to act quickly so as not to lose impetus and to achieve practical outcomes to demonstrate the value of AUPN.

6 Close meeting (Chair)

Meeting closed at 5:00 pm

Background Paper

Structure, Business Plan and Business Objectives

Background

At a general meeting of Australian university procurement managers held in 2007 and revisited last year, a number of proposals and recommendations were made about the future directions of the AUPN and the development of a sustainable national collaborating network of procurement managers in Australian universities. Following advice from the higher education sector, a new contribution model was developed to support a viable national structure for the future which would provide opportunities for new national collaborative projects, improved knowledge and communication, and a stronger recognition in universities of the importance of the role of professional procurement within the business model.

The Executive has developed a **Strategic Business Plan** for the continuity of an AUP Network at a national level for 2009 through 2011 and an ambitious set of business objectives has been developed. These build upon the benefits derived from the national collaborative benchmarking programme and are logical extension programmes and projects supporting continuous improvement in strategic procurement, recognising the importance of business intelligence in Australian universities.

As proposed in 2008, the **National Executive's Terms of Reference** and membership structure have been revised to ensure the Executive has an inclusive regional representation from around Australia. There are now 11 universities represented on the National Committee. The revised AUPN Executive Terms of Reference are provided for the information of attendees. The revisions provide for representation from region-based university procurement groups and nominations from one Member University in each state where no formal grouping has yet formed (ACT has joined the NSW group, NT is included with Qld). In addition, there is a provision for the AUPN Executive to call for expressions of interest for membership and may appoint up to two further members. HES Board of Directors has the discretionary power to appoint a member should it desire to do so. The new Terms of Reference provide for a refresh of the membership every two years.

The **website created in 2008** provides new levels of communication; this is provided and maintained by HES. Pages are also supported for use by regional groups as well as nationally. Facilities exist for sharing information rapidly across the sector and have proved to be popular. Levels of the communications network are password protected and include a Procurement Hub for a shared resources repository at a national level. Further opportunities for improving the levels of communications are being considered such as on-line forums.

The **contribution model** aimed at maintaining a sustainable national procurement network was endorsed by the AUPN Executive Committee and has now been initiated. This model covers:

- AUPN National Executive operational costs and HES personnel support;
- the on-costs and infrastructure for providing services for members; and
- a Strategic Development Fund to seed and develop new initiatives.

The HES Board supports the contribution model endorsed by the AUPN Executive for the provision of additional services and seed funding for new national initiatives over the longer-term as determined by the AUPN National Executive Committee.

An invitation to contribute to the support of the AUPN was sent to the Vice Chancellors of all Australian Universities in May this year based on the contribution model described in the AUPN Business Plan 2009-2011. The model is calculated on 50% flagfall and 50% based on EFTSL



(CPI adjusted) for an initial period of three years. Individual university contributions are modest on an annual basis. A report will be given at the meeting on the final number of contributing universities and total income budget.

In addition to sector contributions, the HES Board of Directors has provided a \$25,000 contribution in 2009 to support AUPN Executive Committee activities, bringing the total cash contribution provided by the HES Board to \$219,000 since 2004.

There may be some residual funding from the ANHEPBP, which will be made available to the AUPN Executive Committee for activities approved by the Grant Governance Group. While Benchmarking Project funding will be exhausted by the end of the Programme in September 2009, some residual funds may become available as a result of participating universities not needing to claim reimbursement of costs associated with collection of data. The Grant Governance Group will continue to meet and will accept recommendations from the AUPN Executive Committee on expending the remaining funds, until all funding has been expended on activities in accordance with the conditions of grant.

Strategic Business Plan 2009-2011

The Business Plan is a living document which will be amended from time to time and is available for all universities participating in the AUPN to access on the AUPN website.

www.hes.edu.au > AUPN Initiative