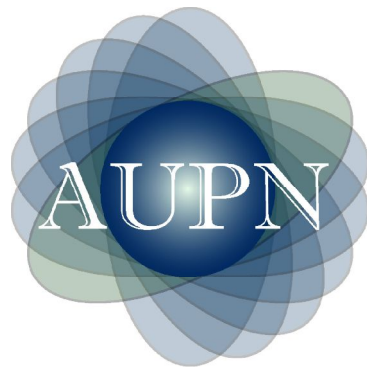




The AUPN initiative is supported by Universities Australia and managed through its professional services company, Higher Ed Services.



**AUSTRALIAN
UNIVERSITY
PROCUREMENT
NETWORK**

Strategic Business Plan 2009 - 2011

Version: 9.0

Dated: 9 December 2010

Australian Universities Procurement Network
Business Plan 2009-2011

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Document History

Author	Version	Dated	Status	Comment
Belinda Clark	1.00	09/11/05	Draft 2006	Document Created 2006
Belinda Clark	2.00	13/02/06	Published	
Belinda Clark	3.00	24/01/07	HES Board Approved: Published	01/03/06 Updated sections following AUPN Exec Mtg 1/2006 23/10/06 Updated sections following AUPN Exec Mtg 3/2006 for 2007 Business Plan 28/10/06 Updated following input from HES Board 24/0/07 Updated Membership and references to HES in light of company name change.
Cynthia Hansen	4.00	28/11/07	Draft 2008	Updated Membership and objectives
Jan Rose	5.0	13/06/08	Approved Exec Comm.	14/05/08 Revised to align with the change in models as approved by the Executive Committee March 2008. 14/05/08 Added ANHEPBP workshop recommendations for AUPN activities 13/06/08 Replaced Exec Com. ToR with AUPN version
Jan Rose	6.0	20/11/08	Approved Exec Comm	20/11/08 Terms of Reference amendment: Membership: "Up to 10 voluntary members" replaced with "Normally 10 voluntary members" 20/11/08 Revised Membership listing 2009 – 2010 20/11/08 Expansion of Return on Investment Section – new initiatives 2009; preliminary draft budget 2009
Jan Rose	7.0	18 Mar 09	Approved Exec Comm.	Updated App 3 to reflect Standing Committee names as per AUPN meeting 1/2009
Jan Rose	7.1	30 Apr 09	Draft in progress	Changed references to Subscription to Contribution
Cynthia Hansen	App 1	27 Oct 09	Membership	Peter Naujoks (Monash University) Resigned from AUPN Executive
Cynthia Hansen	App 1	23 Nov 09	Membership	Rosalie Gillings submitted Resignation from AUPN Executive
Cynthia Hansen	General edit & Update	24 Nov 09	Updated 2010 Budget section new Appendix 4	<ul style="list-style-type: none"> Updated document to reflect budget & activities in 2010; added new Appendix 4 – HES Services Updated Appendix 1 -Terms of Reference - added new section 2.7 as agreed by AUPN Exec.
Jan Rose	8.0	13 Jan 10	Replaced ToR	Appendix 1 replaced with the updated/approved version of the Terms of Reference
Jan Rose	8.1	24 Aug 10	Re-aligned with ToR	Re-aligned with ToR Standing Committees
Jan Rose	8.2	9 Dec 10	Replaced ToR	New committee for 2011

Contents

Mission Statement	4
AUPN Key Objectives	4
The Vision 2009 - 2011	4
Membership	4
Executive Committee 2009-2010	4
Principal Points of Contact	5
Group Support	5
Key Business Activities 2009 to 2011	5
Key Business Outcomes	6
Contract and Vendor Management Policy	8
Commodities and Services	8
Master list of Commodities and Services	8
Current Commodities and Services Contracts managed by HES for the AUPN	8
Meetings	9
Funding 2009 - 2011	9
Fee Funding Structure and Contribution Model	9
Return on Investment Strategy	9
2010 Budget – AUPN Operations	10
Appendix 1: AUPN Executive Committee Terms of Reference	13
Appendix 2: AUPN Contribution Model	16
Appendix 3: The Model	18
Appendix 4 – Higher Ed Services and AUPN Management Expenses 2010	19

Australian Universities Procurement Network Business Plan 2009-2011

Mission Statement

“To significantly improve strategic procurement practices in Australian universities through a collaborative approach, focussing on sharing expertise and business intelligence, promoting the benefits of aggregated purchasing, greater efficiency in processes, professional procurement education opportunities and encouraging the development of regional and national aggregated procurement contracts.”

AUPN Key Objectives

1. Build professional procurement capabilities to influence better procurement outcomes in Australian universities.
2. Working towards establishing a sustainable procurement practices framework for Australian universities.
3. Actively position strategic procurement in Australian universities to deliver better business outcomes, promoting improved planning, systems and processes and the use of business intelligence.
4. Provide participants with a demonstrable return on investment through coordinated collaborative procurement activities, including a continuation of the AUPN national benchmarking programme.

The Vision 2009 - 2011

The AUPN Executive Committee and its initiatives to be recognised as providing a significant value-added expert knowledge base and services to the higher education sector; providing collaborative opportunities for significant cost savings based on the Australian National HE Procurement Benchmarking Programme to participating Universities by 2009/2011.

Membership

Executive Committee 2009-2010

Membership of the Executive Committee will be determined in accordance with the Terms of Reference Appendix 1.

Note: All Committee positions are filled on an unpaid voluntary basis (see the Terms of Reference for the list of current incumbents).

Principal Points of Contact

Each University may nominate a Principal Point of Contact. The PPOC will receive progress reports on the AUPN activities, references to the AUPN website and newsletters. It will be assumed that the PPOC will be responsible for nominating university representatives from time to time and may vote in the event that an election of representatives to the AUPN Executive Committee is held.

HES will ask universities to nominate or confirm their PPOC annually.

Group Support

Jan Rose, Senior Business Consultant

Key Business Activities 2009 to 2011

In line with the AUPN's four Key Business Objectives the Executive Committee has approved the following business activities 2009 to 2011.

The Benchmarking Programme (2009)

The Committee's key strategic objective during 2009 was to complete:

- the DEEWR-funded project for sector-wide price benchmarking of goods and services;
- benchmarking of procurement practices in Australian universities which started in 2006 as phase 1 of an ongoing procurement capability improvement programme.

Activities 2009 to 2011

The AUPN activities for the three years 2009 to 2011 will include:

- establishing a Professional Procurement Capabilities Standing Committee to
 - influence better procurement outcomes in Australian universities
 - establish a plan to promote procurement capability comparisons with international university groups
 - encourage closer links with the Chartered Institute of Purchasing & Supply Australasia (CIPSA) and other professional procurement groups
- establishing a Sustainable Procurement Standing Committee to provide leadership at a national level to
 - establish a national sustainable procurement practices framework for Australian universities
 - promote the importance of demand management planning and other strategies leading to sustainable procurement outcomes
 - collaborate with the Australasian Procurement and Construction Council Inc (APCC), and other procurement bodies in the development of a best practice framework
- establishing a Strategic Procurement and Business Process Improvement Standing Committee which will address issues including:

Australian Universities Procurement Network Business Plan 2009-2011

- delivering better business outcomes, promoting improved planning, systems and processes and the use of business intelligence.
- spend profiling in universities to promote best practice in strategic procurement;
- maintaining the ANHEPBP expert commodity advisory groups to:
 - continue a national procurement benchmarking programme for the benefit of Australian universities

Collaborative Communications Strategy – Online Forums

- continuing to develop improved communications and collaboration amongst Australian universities on procurement matters through:
 - the HES-hosted AUPN website facility,
 - forums on specific issues,
 - liaison with regional procurement groups,
 - the annual conference and workshops.

HES will provide staffing support for the Committee's activities and collaborative initiatives and is the corporate entity for managing collaborative projects, tenders and contracts as required.

Key Business Outcomes

The planned Business Activities aim to provide the following outcomes for the AUPN and Australian universities.

The Benchmarking Programme:

- Continuation of the National Procurement Benchmarking Programme after 2009 subject to the identification of suitable sources of funding.
- Development of an ongoing annual Procurement Function benchmarking survey which may include an extension project for International Procurement Function capability benchmarking (UK and/or South Africa 2011).
- Advisory Groups' workshops during 2009, 2010 and 2011 to action recommendations emerging from the National Market Benchmarking reports;
- the AUPN Executive Committee to action Advisory Groups' recommendations by offering professional collaborative forums and the development of new projects.
- Promotion of the leadership of the AUPN through successes arising from price benchmarking and the flow-on benefits to the HE sector and the promotion of liaisons with associated bodies nationally and overseas.

Procurement Capabilities Standing Committee (Established 2009)

- Providing ongoing leadership at a national level and on a collaborative basis to establish a relevant procurement capability framework for Australian universities.
- Ensuring and promoting better understanding in Australian universities of the necessity to position procurement within the organisation as a senior executive

Australian Universities Procurement Network

Business Plan 2009-2011

function, recognising that procurement capability is a driver for cost efficiencies and improved value for money outcomes.

- **Outcomes for universities:** the potential to develop a team of skilled professionals and internal procurement structure against an endorsed AUPN framework, providing proactive and sound policy initiatives leading to optimal outcomes in purchasing and supply activities.

Sustainable Procurement Standing Committee (Established 2009)

- Providing leadership at a national level and on a collaborative basis to establish a national sustainable procurement practices framework for Australian universities;
- Promoting awareness of the importance of sustainable procurement;
- Encouraging senior executive support for enhanced procurement capability as a key requirement for the achievement of sustainability outcomes;
- Collaborating with the APCC and other procurement bodies to inform and assist in the development of a best practice sustainable procurement practices framework which will provide a broader national reference point for Australian universities; and
- **Outcomes for universities:** Access to a national knowledge base on sustainable procurement practices and a national framework against which to measure organisational performance. Procurement managers will be able to speak with authority and promote sustainable procurement approaches within their own organisations, based on a commonly understood and accepted framework. Enhanced procurement capability will be a key strategy for the university's achievement of sustainability outcomes.

Business Process Improvement Standing Committee (Established 2009)

- Providing leadership at a national level and on a collaborative basis to establish a national approach leading to better definition and measurement of strategic procurement and improved business processes for Australian universities.
- Delivering better business outcomes for Australian universities through promoting improved planning, systems and processes and the use of business intelligence as essential to a strategic procurement approach at an enterprise level through a series of AUPN sponsored workshops.

Some specific planned outcomes to benefit Australian universities through workshops, forums, web news items:

- Promoting wider recognition in Australian universities of the importance of a business intelligence approach in underpinning strategic procurement planning;
- Identifying skills and technology that support the development and successful implementation of BPI – Procurement.
- Promoting the principles of leverage, aggregation and standardisation in the strategic procurement process;
- Establishing a National Survey and creation of a Register of current HE eProcurement and technology-assisted, online and business intelligence procurement tools which will include additional information such as contract management and spend analysis systems;

Australian Universities Procurement Network

Business Plan 2009-2011

- Publishing on the AUPN website, university case studies and outcomes resulting from the adoption of strategic procurement strategies; and
- Encouraging spend profiling in Universities to promote best practice in strategic procurement

Collaborative Communications Strategy – Libraries and Online Forums

The AUPN will provide sophisticated communications and knowledge management through the online Forums and AUPN pages of the HES website. The site will include regional groups' activities, information and promotion – 2009 onwards. The AUPN wishes to encourage an interactive dialogue amongst Australian universities with the following outcomes:

- Debate purchasing issues and encourage innovation and interaction to achieve 'best practice' in strategic procurement;
 - Assist universities to reduce overhead costs for the acquisition of goods and service through identifying 'best practice' automated processes and volume procurement strategies;
 - Identify major or strategically important areas of spend and establish, through HES, favourable head agreement contracts, if relevant, for use by the sector;
 - Improve the quality of goods and service through common contracts;
 - Improve the quality of tenders, contracts and agreements through the provision of standard shared clauses and documents; and
 - Improve compliance and governance issues for procurement services.
-

Contract and Vendor Management Policy

Products or services will only be considered following the completion of the ANHEP Benchmarking Programme relating to the particular category. The AUPN Executive Committee, in consultation with the Regional and Advisory Groups, will review the outcomes of aggregated data and determine if there is value in pursuing national supply contracts.

Commodities and Services

Master list of Commodities and Services

The ANHEPBP 2006-2009 has identified a master list of commodities and services of interest to the HE sector. The master list will be added to from time to time and reviewed annually.

Current Commodities and Services Contracts managed by HES for the AUPN

1. CoreGas Pty Ltd
 2. Thrifty Car Rentals
-

Australian Universities Procurement Network

Business Plan 2009-2011

Meetings

It is expected that the AUPN Executive Committee will hold three meetings in 2010, supplemented by teleconferences as required.

Indicative meeting times in 2010 are February, July (in conjunction with the National University Finance and Procurement Conference) and November.

Funding 2009 - 2011

2009 Funding

As at January 2009, the AUPN Executive Committee and its initiatives were funded and supported by HES. A sustainable level of annual funding is required on a shared cost basis from universities to cover both the operational costs of the Committee and to allow it to develop further innovative projects for universities in future years. Support by universities on an equitable low cost Contribution Model is required over the next three years to enable the AUPN to achieve its objectives determined by the AUPN Executive Committee and set out in this Business Plan.

2010 Funding

From 1 January 2010, the AUPN Executive Committee, its Standing Committees and other initiatives will be funded from the Annual Contribution Funding model to which 30 universities have subscribed for the three year period 2009 to 2011. As most of the funding contributions have been received since October 2009, the 2009 funding contribution has been added to the 2010 Annual AUPN Budget, with total funds being able to be applied to benefit member institutions during 2010 and 2011 as required. In addition, residual funding from the Workplace Productivity Programme Grant (2006-2009) will be made available to the AUPN Executive by the Grant Governance Group upon receipt of formal submissions for projects.

2011 Funding

2011 will be the third year of the Annual Funding Contribution under the current Participation Agreements with universities and the AUPN Executive will review the current funding contribution model and determine by no later than July 2011, whether it will recommend that HES seek agreement from all 30 participating universities to extend their participation agreements and continue funding contributions 2012 to 2014.

Fee Funding Structure and Contribution Model

A contribution model has been approved by the AUPN Executive Committee and the HES Board. The model was proposed to universities in July 2008 based on the key business objectives of the AUPN Business Plan. The funding model was approved by the AUPN Executive Committee to take effect from 1 January, 2009 for a three year period, CPI adjusted. The AUPN contribution model appears in [Appendix 2](#)

Return on Investment Strategy

New initiatives and collaborative activities detailed in the Business Activities and Outcomes section of this Business Plan provide considerable information on the potential return on investment for universities in return for contributing financial support for the AUPN and its collaborative initiatives for the period 2009 to 2011. Since 2006 over 250 individual staff

Australian Universities Procurement Network Business Plan 2009-2011

drawn from 29 Australian universities have come together in AUPN workshops funded by HES to explore best practice issues, collaborative tendering and business intelligence issues. These activities culminated in the successful \$6 million Workplace Productivity Grant, which has provided a funding source to each participating university at a minimum \$60,000 and as much as \$300,000 in free services between 2006 and 2009. In addition, the AUPN has provided a valuable conduit for national and regional networking amongst Australian universities' procurement managers which was not evident prior to 2003. Collaboration opportunities, within the sector and between the sector and like-minded public and private organisations, are continually being explored to drive further value. In 2009, the AUPN, through its Capabilities Standing Committee, has commenced a dialogue with the Australian Procurement and Construction Council (APCC) and plans to form closer links with the professional body, CIPSA, during 2010.

The AUPN decided to establish a contribution model to enable it to pursue additional activities beneficial to Australian universities and to make further collaborative bids for funding sources where opportunities arise to support continuing improvements in procurement activities between 2009 and the end of 2011.

Some specific examples of return on investment for universities include:

Business Intelligence: The ANHEPBP has provided the opportunity for significant networking both within and between universities. Workshops have enabled discourse between people from various areas of the universities to share their knowledge and exchange ideas. This will continue both through workshops and the shared resources provided through the AUPN website.

Collaborative tendering: The potential has been explored for newly forming regional universities' groups to collaborate on a number of activities such as tendering thus reducing overhead costs for documentation development and legal review. Further work has been completed in 2009 to review collaborative tendering in the U.K. and South Africa.

Probity and Corporate Governance: Opportunities to achieve improved knowledge about standards relating to probity and corporate governance have been encouraged by the AUPN. This is evidenced by the development of a thorough legal review of State jurisdictional requirements and ACCC advice during the national tendering process for industrial gases conducted by the AUPN in 2005 which tested the viability of national tendering and aggregated purchasing.

2010 Budget – AUPN Operations

HES provides management services for the AUPN Executive Committee, its standing committees, initiatives and national projects, details of which appear in Appendix 4.

The AUPN Executive Committee's annual operational budget (Strategic Development Fund) has the expenditure components which include the following elements:

Meeting Costs: These costs are based on up to 3 face-to-face AUPN Executive meetings each year and teleconferences as required, with 10 committee members participating. The budget makes provision for approved AUPN Standing Committee meetings and associated costs and initiatives.

Strategic Initiatives: Expenditure allocations are proposed and approved by the AUPN Executive Committee in accordance with AUPN business objectives. The AUPN Executive sets

**Australian Universities Procurement Network
Business Plan 2009-2011**

out estimated costs for annual initiatives and new projects detailed in the annual Business Plan. It would be usual for a small contingency amount to be nominated during the budget planning process as required.

The annual budget will be approved by the AUPN Executive, updated in the Business Plan and approved by the HES Board in December each year. All funds managed by HES on behalf of the AUPN are subject to annual external audit and sound governance processes to ensure the highest level of transparency and probity.

Progress reports and income and expenditure statements are provided to the AUPN Executive Committee and HES Board meetings throughout each year. An annual progress report and expenditure statement on business activities will be provided at the Annual Meeting of Procurement Managers which will normally be held in July each year.

The AUPN Executive may determine to ask HES to prepare a forward plan projection on income and expenditure for the period 2009-2011 and in future years as a number of initiatives will extend beyond the period of one year and provision may be required to extend various benchmarking projects after the ANHEPBP funding ceases in mid-2009.

The Preliminary Budget 2010 does not include residual funding relating to the ANHEPBP which was funded under the Workplace Productivity Programme Grant until October 2009. Residual funding from the WPP Grant will be made available through the ANHEPBP Grant Governance Group during 2010 and future years based on formal submissions from the AUPN Executive Committee. The AUPN Executive Committee may determine to make submissions for funding to assist proposed projects arising from recommendations made by its standing committees and working groups.

The Preliminary Budget 2010 is predicated on 30 Australian universities agreeing to pay the contribution amount being sought on a 50% flag fall and 50% EFTSL metric. Based on the income level in 2009 and 2010, HES will provide full-time support at below real cost for the AUPN Executive and its proposed new initiatives accepting an allocated management fee of \$100,000 in 2009 and \$101,300 (adjusted by 1.3% CPI).

AUPN Proposed Total Income and Expenditure Budget 2010

AUPN PROPOSED TOTAL INCOME & EXPENDITURE BUDGET 2010	
INCOME (30 Universities)	PROPOSED BUDGET
Proposed Contribution Model Income 2009	\$159,736
Proposed Contribution Model Income 2010	\$161,813
TOTAL Funds Available	\$321,549
EXPENDITURE	
*Contribution to HES Management Expenses 2009	\$100,000
*Contribution to HES Management Expenses 2010	\$101,300
Group Strategic Development Funds	\$120,249
TOTAL	\$321,549
Surplus (Deficit)	\$0

* See Appendix 4 – HES Services and Management Expenses

**Australian Universities Procurement Network
Business Plan 2009-2011**

AUPN Preliminary Projected Budget 2010

AUPN Strategic Development Funds Income 2010	Cost (exc GST)
Total Contribution Income 2010 (Inc 2009 carryover) 30 university contributors (Formula – 50% flag fall and 50% EFTSL metric)	\$120,249
Strategic Development Funds 2009 Contribution (carryover)	\$ 59,736
Strategic Development Funds 2010 Contribution (including 1.3% CPI)	\$ 60,513
AUPN BUDGET ALLOCATIONS – 2010 ACTIVITIES	
Meetings Expenditure	
Executive Committee Meetings & teleconferences (4 meetings)	20,000
Standing Committees	
Procurement Capability (2 meetings + teleconferences)	8,000
Sustainable Procurement (2 meetings + teleconferences)	8,000
Business Process Improvement (2 meetings + teleconferences)	8,000
SUB-TOTAL Committee Costs	\$44,000
Other Committees and Activities (2010)	
AUPN National Project – Forward Planning & Advisory Group	8,000
Specials Project Expenditure	
1. Spend Analysis Initiative – Planning & documentation?	?
2. Lab Supplies – classifications?	
AUPN Forums and Events	
Special Interest Forums x 3	10,000
Procurement Managers General Meetings x 2	10,000
AUPN Professional Development Programme	10,000
SUB-TOTAL Other Committees and Activities	38,000
Special Project Contingency	38,249
Strategic Development Funds TOTAL	\$120,249

* The Committee costs were approved by the AUPN Executive Committee on 9 November 2009. The final 2010 Budget allocations for other activities will be determined at Meeting 1/2010

Australian Universities Procurement Network
Business Plan 2009-2011

Appendix 1: AUPN Executive Committee Terms of Reference

AUSTRALIAN UNIVERSITIES PROCUREMENT NETWORK

AUPN EXECUTIVE COMMITTEE

AUPN Mission

“To significantly improve strategic procurement practices in Australian universities through a collaborative approach, focussing on sharing expertise and business intelligence, promoting the benefits of aggregated purchasing, greater efficiency in processes, professional procurement education opportunities and encouraging the development of regional and national aggregated procurement contracts.”

1 TERMS OF REFERENCE

- 1.1 to provide leadership as a group to significantly improve procurement practices in Australian universities through encouraging collaboration at a national and regional level and the adoption of a procurement capabilities framework by Australian universities;
- 1.2 providing leadership at a national level and on a collaborative basis to establish a national sustainable procurement practices framework for Australian universities;
- 1.3 promoting the importance of sustainable procurement measures in controlling waste, encouraging demand management planning and other strategies, sourcing from sustainable resources, leading to sustainable procurement outcomes in line with the proposed national framework;
- 1.4 to facilitate sharing expertise and business intelligence by fostering strategic procurement understanding and initiatives amongst and within Australian universities through the formation of a strategic procurement and business process improvement standing committee;
- 1.5 to promote the benefits of aggregated purchasing and regional and national supply contracts;
- 1.6 to continue to develop business intelligence capabilities through a continuation of national benchmarking projects for the benefit of collaborating universities on commodities and services and the procurement function, fostering an improvement in purchasing standards and opportunities for savings;
- 1.7 to identify and promote professional education opportunities, liaising with the Chartered Institute of Purchasing and Supply Australasia (CIPSA);
- 1.8 to provide a proactive professional agenda for the annual national finance and procurement conference and AUPN sponsored workshops and forums;
- 1.9 to provide a repository of shared documentation and a professional knowledge network through an AUPN website on-line Discussion Forums.

2 MEMBERSHIP

- 2.1 Normally 10 voluntary members from universities that have paid their annual subscription;

**Australian Universities Procurement Network
Business Plan 2009-2011**

- 2.2 Positions will be filled through a call for Expressions of Interest from amongst the participating universities and will be determined by the Executive Committee to ensure a broad representation;
- 2.3 HES CEO;
- 2.4 The HES Board of Directors shall have discretionary power to appoint a member should it desire; and
- 2.5 If any member of the Executive is unable to contribute to the functioning of the Executive Committee for a period of 3 months or more, and has not sought leave of absence from the Chair, the AUPN Executive Committee may declare the position to be vacant and may call for an Expression of Interest to fill the vacancy from across universities who are contributing member universities of the AUPN.

Executive Officer

Appointed by HES

3	AUPN EXECUTIVE COMMITTEE	Start of Term	End of Term
	Marc Diaz (Curtin University) Chair	Jan 2009	Dec 2010
	Ross Williams (University of New England) Deputy	Jan 2010	Dec 2011
	Harry Banga (University of Sydney)	Jan 2010	Dec 2011
	Henry Sammut (University of Melbourne)	Jan 2010	Dec 2011
	Tim MacPherson (Australian National University)	May 2010	Dec 2011
	Michelle Paul Davie (Murdoch University)	May 2010	Dec 2011
	Craig Lehman (The University of Newcastle)	May 2010	Dec 2011
	Michael Gibson (Griffith University)	Jan 2011	Dec 2012
	Joe Arena (La Trobe University)	Jan 2011	Dec 2012

Cynthia Hansen (HES CEO)

Executive Officer

Jan Rose, Senior Business Consultant, HES

4 NOTES

- 4.1 Only one member from each university may serve on the Committee at any one time to preserve broad representation, unless approved by the Committee.
- 4.2 The members on the Executive Committee will elect the Chair of the Committee who will be appointed for a term which coincides with his or her current term of appointment on the Committee, normally being two years.
- 4.3 The members of the Executive Committee will elect a Deputy Chair of the Committee who will be appointed for a term which coincides with his or her current term of appointment on the Committee, normally being two years.

Australian Universities Procurement Network
Business Plan 2009-2011

- 4.4 Terms of appointment for Executive Committee members will normally be two years commencing on 1st January of the year following their confirmation to membership. A call for Expressions of Interest will normally be conducted in October in the year proceeding appointment. Current serving members are eligible to submit an Expression of Interest for additional terms on the Executive Committee.
- 4.5 **Membership and Vacancies**
- 4.5.1 Expressions of Interest will be managed through HES. Participating universities will be notified via an AUPN distribution list and newsletter. Expressions of Interest must be received within the advertised period to be eligible for selection. Expressions of Interest may be asked to include a career summary and experience in the field of procurement.
- 4.5.2 The Executive Committee will consider the Expressions of Interest received and, having regard for 2.2 above, will decide, by majority, new members.
- 4.5.3 If a member resigns prior to the end of their term, the vacancy for the remainder of the term may be filled by co-opting a member from a participating university with a majority of serving Executive Committee members agreeing to the name put forward. The Committee may alternatively determine to call for Expressions of Interest from all participating universities.
- 4.5.4 A majority of the members then holding office shall constitute a quorum.
- 4.6 **Observers**
- The Committee may agree to admit observers from time to time. Requests to admit observers must be made to the Executive Officer no later than 5 days prior to a meeting. The Chair may approve the admission of observers on behalf of the Committee or may seek advice from members to admit observers. In the event of disagreement, a majority of members must be in agreement to admit an observer. Observers do not have speaking or voting rights, but may be invited by the Chair to make a contribution to the deliberations of the meeting.
- 4.7 The frequency of meetings is to be determined by the Executive Committee, but will not be less than twice in each calendar year.

5 REFERENCES

- 5.1 The Australian Universities Procurement Consortium (AUPC) was established in October 2002; the new name (AUPN) and structure were adopted by the Executive Committee for the Annual Meeting in July 2008.
- 5.2 The Terms of Reference, Constitution and Membership, together with the procedural notes, were amended to reflect the new structure and approved by the AUPN Executive Committee in March 2009.
- 5.3 The AUPN website is hosted by HES (www.hes.edu.au)

Australian Universities Procurement Network
Business Plan 2009-2011

Appendix 2: AUPN Contribution Model

AUPN Contribution Model 2009

The AUPN Contribution Model is based on 50% Flat Fee and 50% Proportional On-Shore EFTSL Contribution
Annual Total Contribution Proposed: \$200K. (CPI Adjusted from 2010)

Based on 38 Universities Australia Universities and DEEWR Actual Student On-shore Load Unit Record File 2007 as supplied to HES by Universities Australia on 7 October 2008.

2009	649,153	\$100,000	\$100,000	\$200,000
State/Institution	On-Shore	50% Flat Fee	50% Proportional	Total Proposed
New South Wales	EFTSL	Contribution/Uni.	EFTSL Cont./Uni	Subs./Uni.
Charles Sturt University	16,968	\$2,631.58	\$2,613.87	\$5,245.45
Macquarie University	20,814	\$2,631.58	\$3,206.33	\$5,837.91
Southern Cross University	7,819	\$2,631.58	\$1,204.49	\$3,836.07
The University of New England	8,852	\$2,631.58	\$1,363.62	\$3,995.20
The University of New South Wales	30,277	\$2,631.58	\$4,664.08	\$7,295.66
The University of Newcastle	17,611	\$2,631.58	\$2,712.92	\$5,344.50
The University of Sydney	35,926	\$2,631.58	\$5,534.29	\$8,165.87
University of Technology Sydney	21,641	\$2,631.58	\$3,333.73	\$5,965.31
University of Western Sydney	23,858	\$2,631.58	\$3,675.25	\$6,306.83
University of Wollongong	13,788	\$2,631.58	\$2,124.00	\$4,755.58
Total NSW (10)	197,554	\$26,315.79	\$30,432.58	\$56,748.37

Victoria				
Deakin University	22,729	\$2,631.58	\$3,501.33	\$6,132.91
La Trobe University	21,187	\$2,631.58	\$3,263.79	\$5,895.37
Monash University	36,537	\$2,631.58	\$5,628.41	\$8,259.99
Royal Melbourne Institute of Technology	24,081	\$2,631.58	\$3,709.60	\$6,341.18
Swinburne University of Technology	11,819	\$2,631.58	\$1,820.68	\$4,452.26
The University of Melbourne	34,650	\$2,631.58	\$5,337.72	\$7,969.30
University of Ballarat	8,464	\$2,631.58	\$1,303.85	\$3,935.43
Victoria University	13,053	\$2,631.58	\$2,010.77	\$4,642.35
Total Victoria (8)	172,520	\$21,052.63	\$26,576.17	\$47,628.80

Queensland				
Bond University	4,295	\$2,631.58	\$661.63	\$3,293.21
Central Queensland University	14,097	\$2,631.58	\$2,171.60	\$4,803.18
Griffith University	26,450	\$2,631.58	\$4,074.54	\$6,706.12
James Cook University	9,884	\$2,631.58	\$1,522.60	\$4,154.18
Queensland University of Technology	28,250	\$2,631.58	\$4,351.82	\$6,983.40
The University of Queensland	29,339	\$2,631.58	\$4,519.58	\$7,151.16
University of Southern Queensland	12,126	\$2,631.58	\$1,867.97	\$4,499.55
University of the Sunshine Coast	4,104	\$2,631.58	\$632.21	\$3,263.79
Total Queensland (8)	128,545	\$21,052.63	\$19,801.96	\$40,854.59

Western Australia				
Curtin University of Technology	22,628	\$2,631.58	\$3,485.77	\$6,117.35
Edith Cowan University	13,702	\$2,631.58	\$2,110.75	\$4,742.33
Murdoch University	9,633	\$2,631.58	\$1,483.93	\$4,115.51
The University of Western Australia	14,635	\$2,631.58	\$2,254.48	\$4,886.06
Total Western Australia (4)	60,598	\$10,526.32	\$9,334.93	\$19,861.25

**Australian Universities Procurement Network
Business Plan 2009-2011**

South Australia				
Flinders University	10,826	\$2,631.58	\$1,667.71	\$4,299.29
The University of Adelaide	15,646	\$2,631.58	\$2,410.22	\$5,041.80
University of South Australia	19,166	\$2,631.58	\$2,952.46	\$5,584.04
Total South Australia (3)	45,638	\$7,894.74	\$7,030.39	\$14,925.13
Tasmania				
University of Tasmania	12,218	\$2,631.58	\$1,882.14	\$4,513.72
Total Tasmania (1)	12,218	\$2,631.58	\$1,882.14	\$4,513.72
Northern Territory				
Charles Darwin University	3,451	\$2,631.58	\$531.62	\$3,163.19
Total Northern Territory (1)	3,451	\$2,631.58	\$531.62	\$3,163.19
Australian Capital Territory				
The Australian National University	11,312	\$2,631.58	\$1,742.58	\$4,374.16
University of Canberra	6,692	\$2,631.58	\$1,030.88	\$3,662.46
Total Australian Capital Territory (2)	18,004	\$5,263.16	\$2,773.46	\$8,036.62
Multi-State				
Australian Catholic University	10,625	\$2,631.58	\$1,636.75	\$4,268.33
Total Multi-State (1)	10,625	\$2,631.58	\$1,636.75	\$4,268.33
Total (38)	649,153	\$100,000.00	\$100,000.00	\$200,000.00

Note: Proposed Contributions will be rounded to the nearest dollar for invoicing.

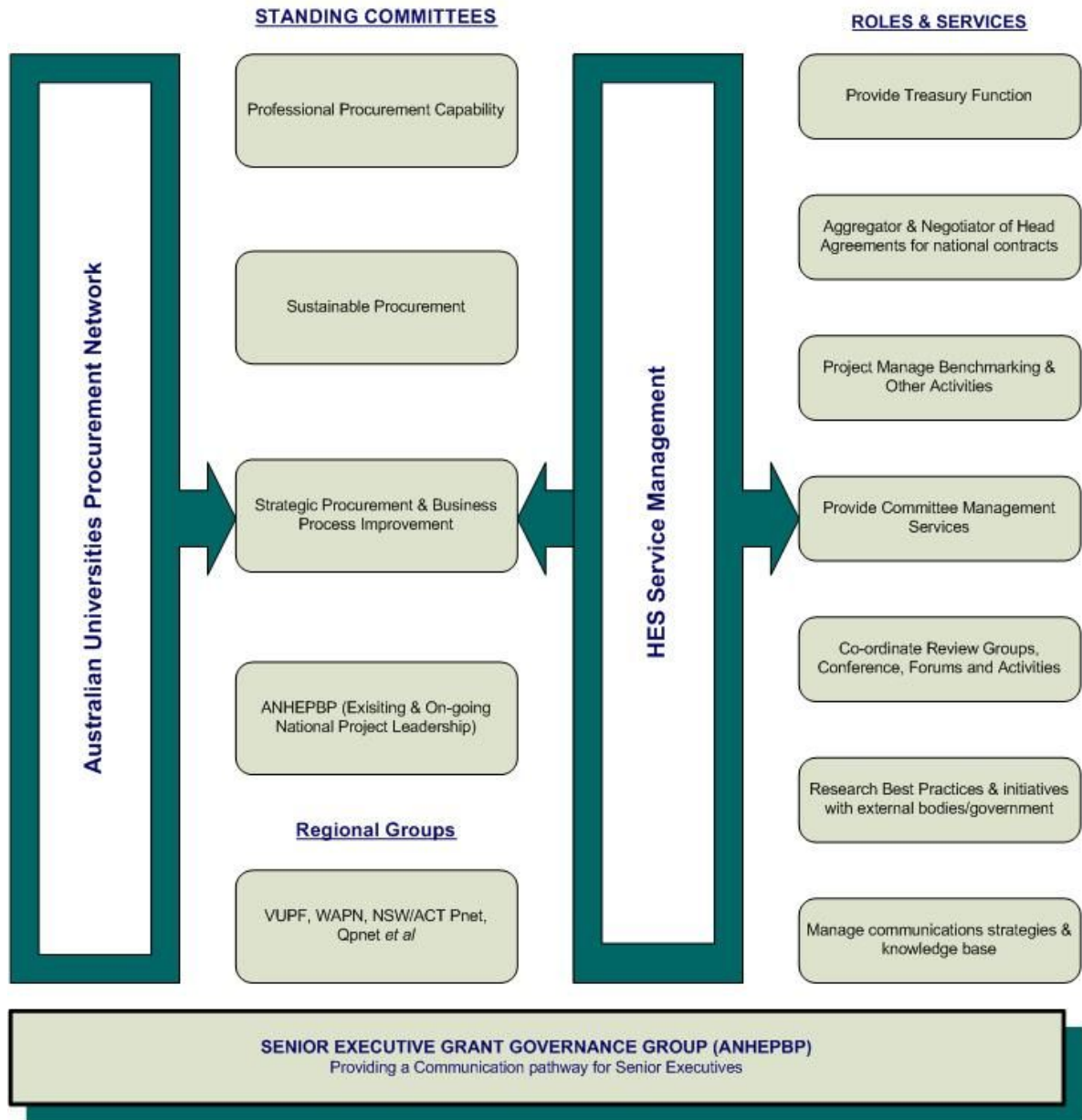
**Australian Universities Procurement Network
Business Plan 2009-2011**

Appendix 3: The Model



**AUSTRALIAN
UNIVERSITY
PROCUREMENT
NETWORK**

AUPN STRUCTURE



Appendix 4 – Higher Ed Services and AUPN Management Expenses 2010

HES Services include the provision of one full-time Senior Business Consultant (incl. staff on-costs and travel costs) and a component of time contributed from 3 other support staff in the provision of:

- committee secretariat and meeting support;
- reporting and communications with 30 participating universities;
- financial management;
- budget preparation and management;
- coordination of the national university finance and procurement conference and other events sponsored by the AUPN; and
- ongoing head agreement contracts management (Coregas and Thrifty).

Additional expenses are incurred in:

- the provision of company overhead costs;
- teleconferencing facilities;
- AUPN website hosting;
- Online Forum licensing and maintenance;
- acquisition of legal opinions to support the work of the AUPN;
- negotiations with government and lead universities; and
- project management, research and report writing.

The time of the HES CEO in the provision of advice for AUPN policy development is currently provided free of charge.

The preliminary budget provides for this amount to be partly off-set by the proposed contribution to HES' Management Expenses of \$100k.

HES' actual Management Expenditure Budget for Full-time Support for AUPN in 2010 is estimated to equate to \$406,324. The preliminary budget provides for this amount to be partly off-set by the proposed contribution to HES' Management Expenses of \$100kK. This leaves a cost shortfall to HES, in real terms, of \$306,324 in 2010.