
SUPPLIES & SERVICE

Overview

Functional Responsibility

Chief Financial Officer.

General Considerations

'Term' as used in this section is defined as the rental term excluding any rights of renewal.

Delegations for Hire Purchase and Financing Leases are outlined in part 3 (Capital Equipment) and for premises Leases in part 5 (Facilities)

Exercise of Authority

The following points should be noted with respect to the exercise of this authority:

- All purchases or contracts for supplies and services over \$250,000 (on an annualised basis) in value must be considered by the Expenditure Committee before the purchase or contract is signed. This Committee reviews the supplier selection process and the application of decision-making principles.
 - All purchases or contracts for supplies and services of the same type, from the same vendor, for the same department/function will be aggregated over a 12 month period for the purposes of determining whether the \$250,000 level limit has been exceeded.
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Invoice Approval

In circumstances where Oracle matching has not occurred approval for payment of service is done on invoice. The invoice should be approved in accordance with the comparable level of delegated authority for expenditure authorisation.

Uncertain Costs

In some instances, particularly when purchasing Repairs and Maintenance Services, the final cost is not known until the job has been completed. In such instances it is important to use the staff in Materials Management, Clinical Engineering, Facilities Management or Information Services to manage the process to avoid misunderstandings, over-servicing or overcharging.

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Overview, Continued

Instructions

Clear instructions should be developed and agreed to by both parties prior to the commencement of any contract and incorporated into a contract for Service prepared by ADHB Legal and Governance. The standard ADHB Contract must be used for all engagements and where modifications are required these must be pre-approved by Legal and Governance.

Subsequent changes to the terms and conditions of the contract should be by written variations of the contract for Service and filed with the Contract. Variations affecting an increase in the contract price are to be reviewed as to the application of Delegated Authorities to the new total price of the contract.

Milestones Not Achievable

Consultant's performance should be continuously monitored. Any shortcomings in performance must be brought to Project Sponsor's immediate attention. If key milestones will not be achieved and there is any resulting increase to the cost of the consultancy the appropriate level of Delegated Authority should be obtained before any extra costs are incurred.

SUPPLIES & SERVICE

Summary 2: Supplies & Services

No.	Description	Level 1	CFO	Level 2	Level 3	Level 4	Other Comments
	<i>Purchase Supplies and Services using Petty Cash</i>						
2.1	Purchases using Petty Cash	FA	FA	<\$500	<\$500	<\$500	Receipt/tax invoice required
	<i>Contract for supplies and services</i>						
2.2	Contract for supplies and services, authorise the requisition of supplies and services.	<\$3,000,000	<\$1,000,000	<\$200,000	<\$100,000	<\$5,000	Total value over initial term
	<i>To Authorise the requisition of Supplies & Services</i>						
2.3(a)	Authorise the requisition of supplies and services. Inventory only.	<\$3,000,000	<\$1,000,000	Materials Mgr <\$200,000	Procurement & Inventory Mgr <\$100,000	Inventory Administrator <\$50,000	
2.3(b)	Authorise the requisition of supplies and services. Non-inventory.	<\$3,000,000	<\$1,000,000	<\$200,000	<\$100,000	<\$5,000	
	<i>To Authorise a Purchase Order for Supplies & Services</i>						
2.4	Authorise a purchase order for supplies and services	<\$3,000,000	<\$1,000,000	Materials Mgr <\$200,000	Procurement Mgr <\$100,000		Purchasing Co-ordinator <\$50,000. Exercised against a duly authorised requisition
	<i>Use of Consultants</i>						
2.5	Authorise expenditure for consultant/s for defined tasks	<\$250,000pa	<\$100,000pa	<\$10,000pa			<3 years duration
	<i>Rental of Equipment other than hire purchase, financing leases or premises leases</i>						
2.6	Enter into rental agreements	<\$500,000	<\$150,000	<\$75,000	<\$5,000		Refer to DAP manual for specific lease arrangements covered
	<i>Junior RMO and School of Medicine (SOM) Invoices</i>						
2.7	Authorise payment of Junior RMO and SMO invoices	FA	FA	<\$250,000			
	<i>Patient Travel</i>						
2.8	Approve travel costs for patients and escorts	FA	FA	<\$5,000	<\$1,000		

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Summary 2: Supplies & Services, Continued

<i>Renewal of Contracts</i>							
2.9	Authorise renewal of contracts previously approved by appropriate delegation	<\$750,000	<\$500,000	Materials Mgr <\$100,000	Procurement Mgr <\$25,000	Procurement Specialist <\$10,000	Renewed contract value limited to < 120% of original contract. Providing there are no substantive changes, and any price change is in accordance with the contract, the RoR may be exercised so long as the increase over the extended life is within the delegations listed to the left.