

Strategic Collaborative Procurement

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CAUDIT



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Council of Australian University Directors of Information Technology

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- **Vision**

- CAUDIT's Vision is that leaders in Australian universities, Australian Government Departments and industry recognise both CAUDIT and its members as an important source of strategic advice on the use of Information Technology in Higher Education

- **Mission**

- CAUDIT's Mission is to enhance its members' ability and influence as key strategic advisers on the use of Information Technology in Higher Education



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Strategic Pillars

CAUDIT seeks to advance the use of information technology in higher education by focusing on six strategic pillars:

- Promoting Thought Leadership
- Strategic Procurement
- Professional Development & Sharing Knowledge
- Engaging our Membership
- Facilitating Sector Wide Services
- Evidence Based Practice



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Market Comparison

- Australian IT Market is **1.15%** of the World Market
- Higher Education is **1%** of Australian Market
- Individual Universities make up an average of **2%** of the Higher Education Market.

Higher Education Sector

- 47 University Members
- 39 Australian Universities
- Total IT Spend \$2.06B
- \$0.88B salary component
- \$1.18B non-salary component

University Equipment

All figures for 2013

- 190,072 desktop computers
- 65,443 laptop computers
- 21,478 tablet computers
- 21,485 smart phones



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Some Definitions

- Simplistically, it can be the collaborative purchase by several entities of commonly used goods or services.
- Collaborative procurement is about achieving value for money through building partnerships between buying institutions and suppliers. By drawing on expertise, skills and knowledge in procurement to leverage combined needs and secure benefits from economies of scale through harnessing sector wide purchasing power.
- Collaborative procurement is when two or more groups of people, or organisations, engaged in procurement, work together for mutual benefit.¹

¹ Cram C. Two Heads: Always Better Than One, Government Opportunities, September 2003

Types of Collaboration

- Internal Departments
- Suppliers
- Procurement Organisations
- Mission-Driven Organisations

Collaborative Procurement

Advantages

- Economies of scale
- Stronger negotiation position
- Reduced legal risks and costs
- Standardisation
- Improved logistics

Disadvantages

- Initial set-up overheads
- On-going commitment
- Reduction in flexibility
- Loss of control
- Supplier resistance
- Longer timelines

Success Factors

- Basic rules and operating principles
- Participation is optional but encouraged through cooperation and communication
- Common objectives and mission
- Remove demographic problems and organisation size limitations

Objectives

- Competitive/improved procurement opportunities and efficiencies
- Buying smarter
- Use best practice methodology
- Vendor management – remove the divide and conquer mentality – *win/win*
- Share the load and the skills/knowledge

Internal Parties

- Finance
- Legal
- Risk
- Probity
- Technical Teams
- Records
- Procurement
- Faculties
- Centres
- Academic Staff
- Professional Staff
- Students
- Project Office
- Tender Board

External Parties

- Vendors
 - Sales
 - Legal
- Procurement Groups
 - Government
 - CAUDIT
- Media
- Government
- Office of the Auditor General



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Summary & Points

- Get help; benchmark
- Leave contracts to the lawyers (within reason)
- Start the legal process early
- Separate legal and commercial discussions
- Be aware of common negotiation tactics
- Bring a friend
- Sometimes the game can't be avoided

Summary

- Help, and be helped

**“Coming together is a beginning,
staying together is progress,
working together is success.”**

-- Henry Ford



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CAUDIT Communities of Practice

- Portfolio, Program & Project Management (P3M)
- Enterprise Architecture
- Learning Spaces and Technologies
- Business Analysis
- Information Security
- Procurement
- University Software Licensing Collaboration



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More information

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