

SCHEDULE A: PROCUREMENT VALUE AND RISK ANALYSIS – COMPLEXITY ASSESSMENT

The complexity assessment determines whether a procurement category, supplier or activity is transactional, leveraged, focused or strategic in nature.

The purchaser is to complete the complexity assessment template for all new procurement categories or activities and for all existing goods and services contracts that have expired and are due for review and renewal.

Complexity Assessment Template

Procurement Title:

Description:

To complete the complexity assessment the purchaser must:

- a) Gather relevant information for the procurement activity that may be required to undertake the complexity assessment. Information may include market and supply factors for the procurement. For example the number of suppliers who have the capacity to deliver and are willing to conduct business with Deakin should be identified prior to addressing the question “Is the good/service being purchased from a competitive market?”
- b) Score each question under the Value and Risk criteria. Provide comment where applicable. List and reference any documentation which has supported the selection.
- c) Based on the responses selected, total the scores for the X Axis: Value and the Y Axis: Risk. Using the total scores for each axis, identify the level of complexity for a procurement category using the decision tree in Schedule B: Procurement Risk Matrix.
- d) Provide a copy of the initial and detailed (if applicable) complexity assessments to Procurement Services at procure@deakin.edu.au
- e) Upon completion of the initial and detailed complexity assessments and the decision tree in *Schedule B: Procurement Risk Matrix* to the [Procurement procedure](#), the Purchaser should assess the Market Approach process for the procurement category or activity as set out in *Schedule C: Market Approach Strategy* to the [Procurement procedure](#).

Value Created Through Procurement					
Ref.	Potential Responses	Score (check one for each question)		Comments	Supporting Documentation
Is the life cycle cost of the purchase of the goods or services high? (Refer to Procurement policy for the definition of life cycle cost)					
(a)	The good/service Life Cycle Cost is of a low value (<\$100,000)	0	<input type="checkbox"/>		
(b)	The good/service Life Cycle Cost is of a medium cost (between \$100,000 and \$500,000)	10	<input type="checkbox"/>		
(c)	The good/service Life Cycle Cost is of a medium to high cost (between \$500,000 and \$1,000,000)	20	<input type="checkbox"/>		
(d)	The good/service Life Cycle Cost is of a high cost (>\$1,000,000)	30	<input type="checkbox"/>		
Would aggregation of demand be beneficial across Deakin?					

(a)	No, demand aggregation is not applicable or should not occur due to one/all of: <ul style="list-style-type: none"> • this is a one-off purchase • purchase is too complex or infrequent to offset cost of demand aggregation process • no economy of scale ie. not one size fits all • potential for monopoly situation 	0	<input type="checkbox"/>		
(b)	Yes, some advantages of demand aggregation could be realised including lower cost of goods/service and lower purchase costs (economies of scale in supplier pricing)	10	<input type="checkbox"/>		
(c)	Yes, there may be an opportunity to gain advantage from aggregation by attracting increased competition through bundling categories or aggregating spend across two or more departments	20	<input type="checkbox"/>		

Does the purchase of the goods or service align with other objectives of Deakin, for example sustainability, accessibility and related policies/strategies?

(a)	No, the good/service procurement would not align with the objectives of the relevant policies/strategies	0	<input type="checkbox"/>		
(b)	Yes, however the good/service procurement would only align to some of the objectives of the relevant policies/strategies	10	<input type="checkbox"/>		
(c)	Yes, the good/service would align with all objectives of the relevant policies/strategies	20	<input type="checkbox"/>		
(d)	Yes, the good/service would align with and enhance the objectives of the relevant policies/strategies	30	<input type="checkbox"/>		

Can the goods or service be purchased from a competitive market? (Competitive market includes consideration of suppliers within the market and in the case of goods substitute or alternative products)

(a)	Yes, more than 5 suitable suppliers exist	0	<input type="checkbox"/>		
(b)	Yes, between 2 and 5 suitable suppliers exist	10	<input type="checkbox"/>		
(c)	No, only one suitable supplier has been identified and qualified	20	<input type="checkbox"/>		

**Total Score (out of 100)
(Transfer to X Axis of Risk Matrix in Appendix 2)**

Risk/Complexity in Procurement

Ref.	Potential Responses	Score (check one for each question)	Comments	Supporting Documentation
Does the description of the goods or services need to be specified for Deakin?				
(a)	No, good/service requirements are standard (e.g. off the shelf product, standard service) or require a low level of specification	0	<input type="checkbox"/>	
(b)	Yes, the good/service requires a medium level of specification	10	<input type="checkbox"/>	

(c)	Yes, good/service require a high level of specification or are unique or specialist and are not fully known	20	<input type="checkbox"/>		
Is the purchase of the goods or services critical to Deakin and/or the core operations of Deakin?					
(a)	No, the good/service is not critical to Deakin or core operations	0	<input type="checkbox"/>		
(b)	Yes, however the good/service is only of medium criticality to Deakin and/or core operations	10	<input type="checkbox"/>		
(c)	Yes, the good/service is critical to Deakin and/or core operations	20	<input type="checkbox"/>		
(d)	Yes, the good/service is very critical to Deakin and/or core operations	30	<input type="checkbox"/>		
Would there be a significant interruption to Deakin's core operations in the event of supplier default?					
(a)	No, the transition time for an alternate supplier would be minimal or a back-up supplier will be in place.	0	<input type="checkbox"/>		
(b)	No, however there would be an acceptable transition time to engage an alternate supplier.	10	<input type="checkbox"/>		
(c)	Yes, there would be an intermediate level of interruption to Deakin's core operations, with a transition time to a new supplier.	20	<input type="checkbox"/>		
(d)	Yes, there would be a significant interruption to Deakin's core operations with a high transition time to an alternate supplier.	30	<input type="checkbox"/>		
Will the purchase impact the market?					
(a)	No, the purchase will not be material to the market.	0	<input type="checkbox"/>		
(b)	Yes, the purchase has potential to significantly impact the market and may result in a reduction in competition between existing suppliers.	5	<input type="checkbox"/>		
(c)	Yes, the purchase has the potential to result in the creation of a monopoly or potential market power by Deakin.	10	<input type="checkbox"/>		
Are there local content/market considerations with this purchase?					
(a)	No, there is no local market for this purchase	0	<input type="checkbox"/>		
(b)	No, there is a local market but the skill and capability of the local market is not sufficient for this purchase.	5	<input type="checkbox"/>		
(c)	Yes, there is a local market and they are capable of delivering the good/service.	10	<input type="checkbox"/>		
Total Score (out of 100)					
(Transfer to Y Axis of Schedule B: Procurement Risk Matrix to the Procurement procedure)					