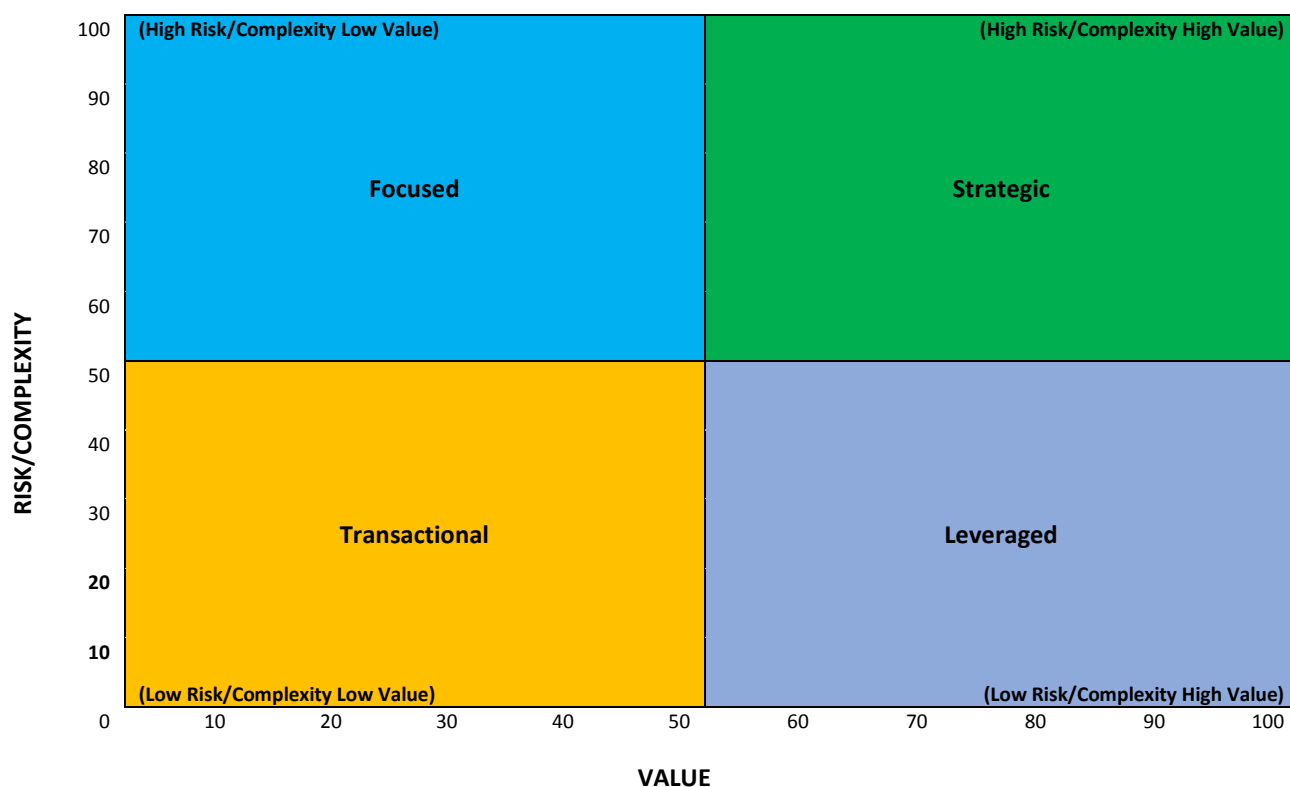


SCHEDULE B: PROCUREMENT VALUE AND RISK MATRIX

To determine the risk profile of a particular procurement category, supplier or activity the Purchaser must ask themselves a number of questions about impact, overall cost and complexity. The responses and scores to these questions (refer *Schedule A: Procurement value and risk analysis – complexity assessment* of the [Procurement procedure](#)) determine the procurement pathway to be undertaken.

The risk complexity assessment uses a scoring system to determine the complexity quadrant for each procurement category or activity on the Complexity Assessment Matrix below. The two scores from the Value and Risk assessments in *Schedule A: Procurement value and risk analysis – complexity assessment* should be translated onto this matrix to determine which quadrant the procurement category or activity sits within.



The typical characteristics of goods and services in each quadrant are:

Quadrant	Description
1 Transactional	Low-value and low-risk transactions where approved suppliers (eg. existing contracts) are not available. Note: Where a procurement category is assessed as transactional but involves developing a contract that extends beyond one year, the assessment of complexity should be elevated to the leveraged quadrant and related Market Approach preference.
2 Leveraged	Frequently used goods or services in a competitive marketplace that are procured by an individual business unit or whole of University, where the University has the ability to drive value.
3 Focused	Procured goods or services of a riskier nature but of a lesser value where a limited number of suppliers are available or where novel commercial arrangements may be required.
4 Strategic	Goods or services in a limited or competitive market that are high value, where business criticality is high, and/or where the goods or services are of strategic significance.

The position of the procurement category or activity on the complexity quadrant will influence:

- the market approach strategy;
- how procurement risk is managed; and
- the contractual arrangements.

Any score of 50 that places a category or activity on the line between two quadrants should automatically be elevated to the adjoining higher quadrant.

Once the quadrant has been determined the purchaser should use the relevant market approach strategy outlined in *Schedule C: Market approach strategy* of the [Procurement procedure](#) for the purchase of the goods or service.