

SCHEDULE C: MARKET APPROACH STRATEGY

The application of complexity drivers to the four complexity quadrants is as detailed:

Quadrant from Appendix 2	1. Transactional	2. Leveraged	3. Focused	4. Strategic
Description of the Quadrant	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.	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.	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.	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.
Complexity Drivers				
How customised are the requirements. What is the required level of customisation Is Deakin is buying a 'defined' good / service or an 'outcome' to achieve?	No customisation Standard 'off-the-shelf' good / service.	Commoditised good/service (usually substitutable), generally requiring no / low level of customisation.	Complex / novel specifications. May include project specific requirements.	Complex / novel specifications. Scope of specifications may not be fully known i.e., supplier innovation required.
Critical to business The role of the good /service in enabling the core services or core operations of Deakin	Low business criticality. Goods / services generally used in back-office functions or are consumables. Good/service easily replaced if supplier defaults. Limited / no security implications.	Low criticality to business. Goods / services generally used in back-office functions or are consumables. Good / service easily replaced if supplier defaults. Limited security implications.	Medium to high business criticality. May involve servicing or maintaining a critical asset where an interruption to core services would occur where supplier defaults. Potential security implications.	High criticality to business. Significant interruption to core services where supplier defaults. Potential for significant security implications.

<p>Suppliers / Substitutes</p> <p>The number of suppliers or substitute goods / services available who have the capacity (ability) to fulfil the requirements or satisfy the need</p> <p>Ability to replace a supplier in event of a supplier failure (e.g. supplier goes into receivership)</p>	<p>Competitive supply market exists, typically with many alternate goods / services or suppliers.</p>	<p>Competitive supply market exists, typically with many alternate goods / services or suppliers.</p>	<p>Limited number of alternate goods / services or suppliers exist.</p> <p>Sometimes prior intellectual property has been co-developed with vendor.</p>	<p>Competitive marketplace or volume of spend creates competitive leverage with a smaller number of suppliers.</p>
<p>Supply market dynamics</p> <p>The impact Deakin's purchase may have on a local market</p>	<p>Procurement will have no material impact on competition or financial sustainability of the market. Typically no impact on local market.</p>	<p>Procurement will be material to the market but may not impact the competitive landscape. Potential for impact on local suppliers.</p>	<p>Procurement may result in a significant impact on the market, reducing competition. Potential for impact on local suppliers.</p>	<p>Potential for impact on local suppliers.</p>
<p>Procurement spend/cost</p> <p>The Lifecycle Cost (LCC) of the procurement activity, including:</p> <ul style="list-style-type: none"> • Initial set up • Maintenance • Finance • Disposal • Transition • Change management impacts 	<p>LCC is low. Minimal support or maintenance requirements.</p>	<p>LCC is typically high, usually made up of a high volume of low to medium value individual transactions. Minimal support or maintenance requirements. Cost of implementing new vendor across multiple departments should be incorporated.</p>	<p>LCC is typically a medium to high. Can require ongoing support or specialised / dedicated skills to manage procurement activity.</p>	<p>LCC is typically a high. Can require ongoing support or specialised / dedicated skills to manage procurement activity.</p>
<p>Impact of demand aggregation</p> <p>Potential financial / non-financial benefits from aggregation of demand (across departments) or attracting new players.</p> <p>Would demand aggregation comprise a significant spend volume to influence the price achievable?</p>	<p>Size / volume of procurement activity is usually too low to offset the cost of the demand aggregation process.</p>	<p>Commercial involvement and / or pooled demand can impact price and / or service quality of good / service.</p>	<p>Complex or novel specifications limits ability to leverage volume as requirements generally only apply to one business unit (department) or project.</p>	<p>Volume / size of spend may create market leverage, but good / service may be business unit (department) specific with limited benefit of demand aggregation.</p>
<p>Indirect impacts</p> <p>The extent to which the procurement activity would advance the broader objectives of Deakin, e.g. sustainability, accessibility, supporting leading edge IT, research etc.</p>	<p>Procurement aligns with all objectives of Deakin's environment, social and/or economic policies.</p>	<p>Procurement aligns with all objectives of Deakin's environment, social and/or economic policies.</p>	<p>Some consideration may be required of potential trade-off between objectives of the procurement for Deakin and the objectives of Deakin's</p>	<p>Some consideration may be required of potential trade-off between objectives of the procurement for Deakin and the objectives of Deakin's</p>

			environment, social and / or economic policies.	environment, social and / or economic policies.
Market Approach Options	Establish a single entity contract or panel contract via direct negotiation (<\$30,000) or request for quotation (>\$30,000).	Establish a single entity contract or panel contract via an expression of interest/select tender, open request for tender or open e-auction.	Establish a single entity contract via an expression of interest/select tender, open tender, request for information/select tender or request for proposal.	Establish a single entity contract, alliance arrangement, partnership or similar via an expression of interest/select tender, open tender, request for information/select tender, request for proposal or competitive dialogue process.

Notes:

Any Market Approach option used that has a <\$300,000 Life Cycle Cost may be undertaken directly by the Purchaser.

Any Market Approach option used that has a >\$300,000 Life Cycle Cost must be undertaken in conjunction with the Procurement Services Group (refer requirements on [Procurement Services website](#)).