

When to use... Basic Purchasing Conditions

This document provides guidance about using Basic Purchasing Conditions depending on the Goods or Services you are purchasing.

General Goods/Services suitable for the Basic Purchasing Conditions

- ✓ suitable for routine low value and low risk purchasing, e.g. off the shelf, standard products/services, commodity based, known or established specifications / scope of work
- ✓ if the customer requires any customisation of the goods/services, it is limited and can be easily accommodated by the supplier
- ✓ there are few or no risks associated with moving to a new supplier.
- ✓ if the supplier defaults (e.g. if the goods/services are faulty / not 'up to scratch'), then the customer will be adequately compensated by getting a refund, or by having the goods /services re-supplied. (The supplier's liability is limited to 1.5 times value of the contract)
- ✓ it's sufficient for the customer to have a licence to use intellectual property rights in the goods/services. (There is no need for the customer to own intellectual property rights).

Basic Purchasing Conditions are NOT suitable for:

- ✗ any Goods/Services that are not low risk to the Customer
- ✗ professional services where advice is being provided and the customer will rely on such as consultancies
- ✗ Significant customisation of Goods/Services
- ✗ any Goods/Services where the Supplier has access to highly confidential, sensitive or personal information, or where there are privacy issues
- ✗ any Goods/Services where the Customer is concerned about changing to a different supplier
- ✗ any Goods/Services where it is likely the customer would suffer damages/losses worth more than 1.5 times the Contract value, if the Supplier defaults
- ✗ purchasing ICT Goods or Services
- ✗ any contracts where the Customer must own intellectual property rights in the Goods/Services
- ✗ any building or construction works
- ✗ any interest in land or property

Consider using the **General Contract Conditions** instead of the Basic Purchasing Conditions if any of the above circumstances arise.

Other comments:

- Some agencies might limit the use of Basic Purchasing Conditions based on the value of Goods/Services being purchased (e.g. to Contracts for low risk Goods/Services <\$25,000).
- Amending the Basic Purchasing Conditions is not recommended (unless the change is very minor). If you think you need to make a lot of changes, then use the General Contract Conditions instead.