



PROCUREMENT GOVERNANCE POLICY

COR168

BACKGROUND

The object of the *State Procurement Act 2004* (“**Act**”) is to advance government priorities and objectives by a system of procurement for public authorities directed towards:

- Obtaining value in the expenditure of public money;
- Providing for ethical and fair treatment of participants; and
- Ensuring probity, accountability and transparency in procurement operations.

The Chief Executive is responsible for the efficient and cost effective management of the procurement operations of the Department of Treasury and Finance (“**Department**”) subject to and in accordance with the policies, principles, guidelines, standards and directions of the State Procurement Board (“**Board**”).

The Board has delegated to the Chief Executive (as the principal officer of the Department) the authority to conduct procurement operations up to a value of \$1,100,000 (GST inclusive) without the requirement for Board consideration and approval.

OBJECTIVE

The objective of this policy is to define the governance framework for the procurement operations of the Department.

The framework is developed to ensure:

- Governance structures for the procurement operations of the Department are clear and understandable;
- Requirements for the issue and exercising of procurement authority delegations are clearly defined;
- An appropriate procurement governance committee is established;
- Procurement guidelines and templates are standardised and meet the Department’s needs; and
- Appropriate procurement approval and reporting processes are implemented throughout the Department to support the responsibilities of the Chief Executive under the Act.

SCOPE

This policy applies to all employees of the Department. Branches may adopt policies and procedures in addition to, but not in contradiction to, the minimum requirements defined in this policy.

POLICY

The procurement governance framework defines the role of the Department procurement governance body, the obligations of procurement authority delegates, and the policy, guideline and document template requirements for all procurement operations conducted within the Department.

Procurement Governance Committee

The Chief Executive and the Chief Executive, Department of the Premier and Cabinet have approved the establishment of a combined Accredited Purchasing Unit (“**APU**”) as the procurement governance committee for both departments.

The APU is the governance body for procurement operations within the Department and is responsible for the provision of advice and support to the Chief Executive in discharging his responsibilities under the Act.

Membership to the APU will comprise the following:

- Representation of executive and senior level officers that can contribute appropriate management and subject expertise such as risk, financial management, strategic planning, project management and information systems;
- At least one external commercial advisory representative with relevant experience; and
- The Industry Participation Advocate or delegate.

The APU terms of reference are jointly approved by the Chief Executive and the Chief Executive, Department of the Premier and Cabinet, and define the purpose, function and responsibilities of the APU.

The APU has authority to:

- Review all procurement operations conducted within the Department, subject to the conditions of this policy;
- Develop, issue and keep under review procurement guidelines and procedures which define specific requirements for the procurement operations of the Department; and
- Develop, issue and keep under review standard procurement document templates.

Where the APU seeks to impose conditions relevant to the approval of acquisition plans, variations to contracts and purchase recommendations, the Chief Executive or procurement authority delegate must either approve those conditions or provide to the APU in writing the reasons for not approving those conditions.

Procurement Authority Delegation

The Chief Executive (as the principal officer of the Department) may delegate a procurement authority to any officer within the Department up to the limit of authority granted by the Board.

The APU may review and provide advice to the Chief Executive regarding the level and appropriateness of any or all procurement authority delegations within the Department. All procurement authority delegations must be documented and integrated with other related delegations, kept up-to-date and appropriately communicated throughout the Department.

While, the procurement authority delegate may approve procurement operations within the Department up to the level of their delegated authority, responsibility and accountability for compliance with the policies issued by the Board remain with the Chief Executive.

Procurement authority delegates must comply with the requirements of this policy and ensure that prior to approving any procurement process, they are satisfied that the requirements of all Board and Department policies, guidelines and procedures, and standard procurement document templates issued by the APU have been met.

Procurement Guidelines and Document Templates

All employees of the Department must comply with all procurement guidelines and procedures issued by the APU under this policy.

The standard procurement document templates will include minimum requirements for the planning and documentation of procurement activities. The standard documents must be utilised, as directed by the APU, for all procurement operations within the Department.

The level of planning and documentation for procurement activities within the Department must be commensurate with the complexity and value of each individual process.

A list of all procurement guidelines and procedures, and standard procurement document templates is included in schedule 2.

Approval Requirements

The following requirements apply when seeking approval of an acquisition plan or purchase recommendation:

- Except for the exemptions listed in schedule 1, all acquisition plans and purchase recommendations valued greater than \$220,000 (GST inclusive) must be considered and endorsed by the APU prior to seeking the approval of the relevant procurement authority or delegate;
- Approval of the acquisition plan must be obtained prior to the market approach; and
- Approval of the purchase recommendation must be obtained prior to contract execution.

Industry Participation Policy

The requirements of the South Australian *Industry Participation Policy* must be applied to all procurement operations within the Department.

Exemptions

Exemptions to the requirements of this policy are listed in schedule 1.

RESPONSIBILITIES

Accredited Purchasing Unit

The APU is responsible for:

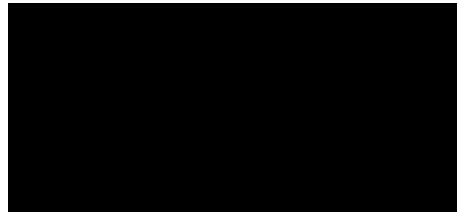
- Ensuring that all employees are fully informed of their obligations and responsibilities outlined in this policy; and

- Ensuring that all guidelines, procedures and templates issued under this policy are relevant and necessary for the appropriate management of procurement operations within the Department.

Procurement Services (Strategic Procurement)

Procurement Services is responsible for:

- Providing advice on relevant matters and assisting in the establishment of all procurement guidelines, procedures and templates issued under this policy; and
- Coordinating the timely review of this policy and any procurement guideline, procedure or template issued under this policy; and
- Maintaining the accuracy of the list of APU guidelines and procedures, and standard procurement document templates contained in schedule 2.



CHIEF EXECUTIVE

23 / 9 / 2016

RELATED DOCUMENTS

- [*Board Procurement Governance Policy*](#)
- [*Board Acquisition Planning Policy*](#)
- [*Board Supplier Selection Policy*](#)
- [*Board Simple Procurement Policy*](#)
- [*Treasurer's Instructions*](#)

SCHEDULE 1

Exemptions to the requirements of this policy

Nil.

SCHEDULE 2

List of APU guidelines and procedures, and standard procurement document templates

1. APU Guidelines and Procedures

- Contract management guideline
- Contract register and disclosure guideline
- Procurement process approvals guideline
- Supplier communication and complaint management guideline
- Tender receipt and registration guideline

2. Standard Procurement Document Templates

- Simple acquisition plan (Board mandated)
- Detailed acquisition plan (Board mandated)
- Simple purchase recommendation (Board mandated)
- Detailed purchase recommendation
- Negotiation plan (Board)
- Risk management plan (Board)
- Evaluation plan
- Contract management plan
- Variation to contract
- Evaluation report
- Tender response schedule (part D) (IT projects)
- Tender response schedule (part D) (Standard)
- Request for quotation
- Tender receipt and registration schedule
- Contract register form
- Contract closure report