

# Procurement procedure

This is a mandated procedure under the operational policy framework. Any edits to this page must follow the process outlined on the [creating, updating and deleting operational policies](#) page.

## Overview

This procedure outlines the requirements to undertake an effective procurement process in compliance with [Treasurer's Instruction 18](#) and its associated policies.

## Scope

The procedure applies to all corporate employees, education offices and public authorities operating within the department's procurement framework.

This procedure should be read in conjunction with the [procurement governance policy \(PDF 255KB\)](#).

The procedure covers activities related to the procurement of goods and services required by the department for its:

- operations, regardless of value
- construction projects up to and including \$165,000 (GST inclusive). Construction projects above \$165,000 (GST inclusive) are managed by the Department of Infrastructure and Transport.

A procurement activity is the procurement of goods and services required by the department to perform its core operations and responsibilities, or the disposal and distribution of surplus assets. It also applies when the department receives the predominant benefit from the expenditure of departmental funds.

It does not apply to construction projects above \$165,000 (GST inclusive) or leasing of government office accommodation, or provision of funding to a third party defined as a grant under [Treasurer's Instruction 15](#).

School and preschool employees, school governing councils, school councils and preschool management committees should refer to the [schools and preschools procurement procedure \(PDF 148KB\)](#).



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# Detail

## Pre-initiation considerations

In accordance with [Treasurer's Instruction 18](#), the department records all forward procurement information for procurements above \$55,000 (GST inclusive) in the Procurement Activity Reporting System (PARS). All procurements above \$55,000 (GST inclusive) must appear on the department's forward procurement plan in the PARS at least 3 months before approaching the market. If the procurement was not reported on the plan, the procurement must be approved by the Chief Procurement Officer or Deputy Chief Procurement Officer to be entered into the PARS.

For all procurements valued above \$55,000 (GST inclusive), if a non-South Australian supplier is recommended where there are South Australian suppliers that could supply the good or service, the purchase recommendation must be approved by the Chief Executive. This approval cannot be delegated. For more information, see [purchase recommendation](#), or submit a request through [edProcure](#).

All procurements valued above \$55,000 (GST inclusive) which require the engagement of project managers, architects, designers, engineers, surveyors, planners, and other professional services providers, must use only local providers.

Minor works procurements over \$165,000 (GST inclusive) are not captured in this procedure and must be referred to Asset Services at [education.AFS@sa.gov.au](mailto:education.AFS@sa.gov.au).

Purchases must not be divided into separate procurements for the purpose of avoiding any value or complexity thresholds.

## Procurement initiation

Procurement initiation involves 2 primary components:

- identifying the objectives and desired outcomes of the procurement
- confirming the availability of funds and seeking expenditure approval (including Cabinet where required).

In the event a Cabinet submission is required, the Office of the Industry Advocate (OIA) must be consulted as part of this process at [OIA@sa.gov.au](mailto:OIA@sa.gov.au).

All [major projects](#) will be communicated to the market, have a project team established and have initial industry engagement commenced within 30 days of funding being committed to the project.

## Identifying the need

Acquisition initiation must include engagement with clients and key stakeholders and will result in identifying a clear and justifiable need linked to business and department objectives. The need will be described as an outcome rather than a specific good or service. Ensure that planning undertaken involves

consultation with end users to clearly define the procurement objectives.

## Whole of life cost

After clearly defining the procurement objectives, determine the estimated cost of the proposed contract including any extension options to assess the procurement complexity and capability. Calculate the [estimated whole of life cost](#) to assess the total financial impact to the department. The whole of life cost considers costs above and beyond the estimated cost of the proposed contract and includes the acquisition, operation, maintenance, and disposal costs associated with the procurement. The [whole-of-life costs calculator \(XLSX 15KB\)](#) can assist with this process.

## Procurement classification and market approach requirements

Employees undertaking procurement must complete a [procurement initiation and complexity assessment \(XLSX 127KB\)](#) to classify the procurement as transactional, routine, complex or strategic. The classification is determined by the complexity, risk and value of the procurement and will be used to determine the procurement process and market approach requirements. The assessment provides guidance on the stages and responsibilities for each stage depending on the classification of the procurement.

For routine, complex, and strategic procurements, the Procurement and Contracting Unit will assign a Procurement Officer to manage the procurement process based on their classification, capability, training, and experience.

Three market approach types can be used based on the classification and value of the procurement:

- open – this must be used for all procurements valued above \$550,000 (GST inclusive) unless a limited or direct sourcing arrangement has been approved.
- limited – this may be used for all procurements valued between \$55,000 and \$550,000 (GST inclusive) and requires a minimum of 3 written quotes to be requested.
- direct – this involves directly approaching 1 selected supplier to supply the good or service and may be used for all procurements valued below \$55,000 (GST inclusive).

## Approval required for limited or direct sourcing arrangements

Limited or direct sourcing arrangements outside of these thresholds must only be used where there are legitimate and justified reasons for approaching less than the minimum number of suppliers. Acceptable reasons include:

- procuring directly from an eligible Aboriginal business in line with the [SAIPP Procedural Guidelines](#), including procuring directly from an eligible Aboriginal business for procurements valued below \$550,000 (GST inclusive). See [exceptions to quotations and tender requirements](#) for more information.

- the good or service can only be supplied by a particular supplier and no reasonable alternative or substitute good or service exists due to the existence of an intellectual property monopoly or other exclusive right, or the requirement is for a work of art
- procurement conducted in line with the South Australian Government's [Go2Gov](#) program
- procurements made under exceptionally advantageous conditions that only arise in the very short term, such as from unusual disposals, liquidation, bankruptcy, or receivership, but not for routine procurements from regular suppliers
- the risk to public health and safety necessitates a limited approach
- the good or service is being procured from an applicable across-government, multi-agency panel or other mandated contract in accordance with the agreed rules for use of the contract
- the procurement could not have been foreseen and the timeframes to deliver are short
- only a limited number of suppliers with the capability, experience, and suitability to meet the department's need and no alternative or substitute exists or for other reasons approved by the Chief Executive.

The Chief Executive cannot delegate the approval of the final justification at any value above \$550,000 (GST inclusive).

Limited or direct market approaches up to the value of \$1,500,000 (GST inclusive) can be approved by the Chief Procurement Officer. Limited or direct market approaches valued \$1,500,000 and above (GST inclusive) must be approved by the Chair, Procurement Governance Committee. This excludes all direct market approaches above \$55,000 (GST inclusive) to non-South Australian businesses, or where it can be demonstrated there are only a limited number of suppliers with the capability to meet the need and no alternative exists. These must be approved by the Chief Executive. This approval cannot be delegated.

## Transactional

Transactional procurements are low to medium risk and valued up to and including \$55,000 (GST inclusive). These can be completed by business units without involvement from Procurement and Contracting.

A minimum of 1 written quote must be obtained and recorded at local level. Ensure potential suppliers receive sufficiently clear information to base their quote on. Employees are encouraged to approach local South Australian or eligible Aboriginal businesses to provide a quote.

The purchase must be processed locally via Basware, unless exempt from this requirement under the [purchase order exemption procedure \(PDF 168KB\)](#).

Business units must refer all [minor works](#), which includes all building and construction works up to and including \$165,000 (GST inclusive) to Asset Services at [education.AFS@sa.gov.au](mailto:education.AFS@sa.gov.au).

## Routine

Routine procurements are classified as low to medium risk and valued above \$55,000 and less than \$1,500,000 (GST inclusive).

All secondary procurement processes under an existing across-government or departmental panel

arrangement are automatically classified as routine, regardless of value. For more information, see [panel contracts](#), or submit a request through [edProcure](#).

There are two value thresholds that occur in the routine classification.

## 1. Routine procurement valued above \$55,000 and up to and including \$550,000 (GST inclusive)

A minimum of 3 written quotes must be obtained for procurements valued above \$55,000 and up to and including \$550,000 (GST inclusive). The requirement for seeking a minimum of 3 quotes is considered to have been met if 3 or more suppliers are approached but less than 3 responses are received. To ensure compliance with the [South Australian Industry Participation Policy](#) (SAIPP), business units must seek at least 1 quote from a local source. Regional offices must seek at least 1 quote from a supplier within their specified region, as defined by the Office of the Industry Advocate's (OIA) [South Australian government regions map](#) ([South Australian Industry Participation Procedural Guidelines appendix A](#)). The OIA's [SA product and service register](#) is one resource available to identify local suppliers.

If 3 suppliers including 1 being a local SA supplier cannot be identified to provide a quote, the procurement must be advertised on [SA Tenders and Contracts](#) for a minimum of 14 calendar days, except where there are legitimate and justified reasons as outlined above.

Refer to [acquisition plan development](#) for the next steps.

## 2. Routine procurement valued above \$550,000 (GST inclusive)

Routine procurements valued above \$550,000 (GST inclusive) must follow the process outlined below. Refer to [acquisition plan development](#) for the next steps.

## Complex

Complex procurements are classified as low to medium risk and valued at or above \$1,500,000 (GST inclusive) and must be undertaken via an open market approach process unless a direct or limited sourcing arrangement has been approved by the appropriate delegate as outlined [above](#). Refer to [acquisition plan development](#) for the next steps.

## Strategic

Strategic procurements are any procurement with a high-risk rating, irrespective of value and must be undertaken via an open market approach process unless a direct or limited sourcing arrangement has been approved by the appropriate delegate as outlined [above](#). Refer to [acquisition plan development](#) for the next steps.

## All procurements valued above \$550,000 (GST inclusive) or strategic of any value

An open market approach must be used for all procurements valued above \$550,000 (GST inclusive) unless a limited or direct sourcing arrangement has been approved by the appropriate delegate as outlined [above](#).

# Acquisition plan development

An acquisition plan must be completed for all procurements above \$55,000 (GST inclusive) regardless of procurement strategy and approving authority. Based on the outcome of the procurement initiation complexity assessment, either complete a [routine acquisition plan \(DOCX 1.5MB\)](#) or an [acquisition plan \(DOCX 1.6MB\)](#).

## Market and supply chain analysis

An analysis of the supply market must be undertaken to determine the most appropriate acquisition strategy. A supply chain analysis to identify potential supply chain risks and industry engagement must also be completed for all complex and strategic procurements. This is undertaken with support from the Procurement Officer assigned to the project. Employees responsible for leading complex and strategic procurements will undertake DTF's Industry Engagement training every three years.

The level of market analysis, supply chain analysis and engagement with industry and external stakeholders must be commensurate with the value and complexity of the procurement. The acquisition plan must document the strategy and processes to be followed in approaching the market and a development timeframe. The strategy must be based on the business need, desired outcomes, value, risk, and market conditions.

## Risk assessment

The acquisition plan must include a risk assessment which documents the risks and risk management strategies associated with the procurement. Risks may include information security and the sensitivity and value of information associated with the contract. A separate [risk management plan \(DOCX 1.3MB\)](#) must be completed and submitted with the acquisition plan for complex and strategic procurements. More information is available in the [managing risk in procurement procedure \(PDF 168KB\)](#).

## Evaluation planning

The acquisition plan will outline the evaluation methodology and the weighted and non-weighted criteria, including any mandatory criteria. This must be approved by the appropriate delegate before approaching the market. The evaluation criteria will be used to assess the value delivered by each supplier's offer. The methodology should be tailored for each procurement. Employees are encouraged to consider tailoring this specifically when approaching one or more Aboriginal suppliers in line with the department's [Culturally Responsive Framework \(PDF 10MB\)](#).

The acquisition plan must identify the Chair and members of the evaluation team, and whether they will be voting or non-voting. Members of the evaluation team should be selected based on their capacity, capability, and subject matter expertise. If strategically targeting Aboriginal suppliers, consider including an Aboriginal employee on the evaluation team to ensure the evaluation process prioritises cultural responsiveness.

For complex and strategic procurements, these details must be outlined and approved in a separate



[evaluation plan \(DOCX 1.4MB\)](#). Additional guidance is provided in DTF's [evaluation planning guideline](#).

## Industry Participation (IP) Plan

An IP Plan may be sought for procurements valued between \$55,000 and \$550,000 (GST inclusive), if an increase in local South Australian or Aboriginal business participation is likely to benefit the procurement process. This should be sought from each supplier and represent a minimum 15% weighting in the evaluation criteria.

An IP Plan must be completed for all procurements above \$550,000 (GST inclusive) and a tailored IP Plan must be completed for procurements valued above \$50 million. A minimum 15% weighting must be applied to the IP Plan as a component of the overall evaluation criteria. A minimum 20% weighting must be applied when the estimated procurement value is \$10 million (GST inclusive) and above. A minimum 20% weighting must also be applied when the procurement includes purchase of structural and reinforcing steel, and fabrication of structural steelwork. This process will be coordinated by the Procurement and Contracting Unit, in consultation with the Office of the Industry Advocate (OIA).

## Approvals

Before starting the approval process, if applying the IP Plan (as mentioned previously), draft acquisition plans must be reviewed by the OIA to ensure compliance with the South Australian Industry Participation Policy.

### Routine procurements up to and including \$550,000 (GST inclusive)

Before approaching the market, approval must be received in the form of a [routine acquisition plan \(DOCX 1.5MB\)](#). This must be endorsed by the correct financial delegate and approved by the correct procurement delegate. This will be undertaken in line with the department's [financial and procurement authorisations listing \(XLSX 3.4MB\)](#). The procurement must have been reported to PSSA through the PARS. This process must be followed unless a [direct or limited market approach](#) is approved by the Chief Procurement Officer or Deputy Chief Procurement Officer.

The Chief Executive must approve direct market approaches above \$55,000 (GST inclusive) with non-South Australian suppliers. This provision does not apply to secondary procurement processes under mandated panel arrangements conducted in accordance with approved panel rules.

### All procurements valued above \$550,000 (GST inclusive) or strategic of any value

Approval for any market approach above \$550,000 (GST inclusive) must be received in the form of an approved acquisition plan before approaching the market. The endorsed acquisition plan must be submitted to Procurement and Contracting for review and to coordinate the approval process based on the department's procurement delegations. Acquisition plans will be approved by the Chief Procurement Officer or referred to the Procurement Governance Committee (PGC) for approval. [Limited or direct market approaches](#) above \$550,000 (GST inclusive) must be approved by the appropriate delegate. The justification for limiting the number of suppliers must also be evidenced in the acquisition plan.

If the procurement delegate assigned to approve the purchase recommendation is different to the

acquisition plan approval delegate, this must be clearly stated in the acquisition plan.

Confirmation must be received from Procurement and Contracting that the acquisition plan has been approved and the procurement is recorded on PARS. This must take place prior to approaching the market.

## Approaching the market

Regardless of the procurement classification, all procurements above \$55,000 (GST inclusive), including secondary procurement processes, must utilise approved market approach documentation.

For routine procurements, a request for quote (RFQ) or invitation to supply (ITS) should be used. For complex and strategic procurements, an ITS or expression of interest (EOI) followed by an ITS should be used. This is unless a direct negotiation has been approved by the appropriate delegate. In this case, the RFQ document must be used. Procurement and Contracting can assist with development of the market approach documentation.

## Market approach documentation

The RFQ documentation has 3 parts:

- procurement process guidelines
- draft conditions of contract
- supplier response form.

The ITS documentation has 4 parts:

- procurement process guidelines
- specifications
- draft conditions of contract
- supplier response form.

The EOI documentation has 3 parts:

- EOI process guidelines
- specifications
- supplier response form.

An RFQ is primarily used where the department is approaching a select number of suppliers to submit a quote for the chance to supply goods or services and is often used where the procurement is classified as routine. An ITS is used for open market approaches that are publicly advertised, whereby the department is inviting suppliers to offer their best price to supply goods or services. It is often used where the procurement is classified as complex or strategic, and where there is a need for variety and/or innovation in responses.

## Specification and evaluation criteria development

All procurements must include a specification of the goods or services required. Specifications must be

developed by employees with the technical skills and knowledge to identify the need and desired outcomes, proposed contract term, performance standards and any reporting requirements. The [writing procurement specifications guideline \(PDF 187KB\)](#) provides guidance to clearly define the functional, technical, performance and outcomes-based requirements of the procurement.

The market approach documents must address appropriate performance measures and contract management arrangements to ensure suppliers are aware of the department's expectations. This includes identifying the types of insurance and the minimum levels of coverage required to be maintained by the supplier throughout the life of the contract.

Market approach documents will disclose the evaluation criteria that will be used to evaluate supplier responses including the qualitative and quantitative criteria, to assist potential suppliers with their response. Qualitative criteria and sub criteria weightings do not need to be disclosed but can be listed in order of relative importance. All potential suppliers must receive the same information to base their offer on.

Procurement Officers will ensure suppliers are aware that the final contract may be subject to the disclosure requirements of [PC027 - Disclosure of Government Contracts](#).

## Preparing to approach the market

All open market approaches are advertised on [SA Tenders and Contracts](#). The [eProjects portal](#) is a specific advertisement tool for IT related projects.

Market approaches for procurements over \$550,000 (GST inclusive) must remain open for a minimum of 25 calendar days and must allow for lodgement of offers via SA Tenders and Contracts. This is unless the procurement is a secondary process conducted under a panel arrangement which must follow the process outlined in the panel.

The Procurement and Contracting Unit is responsible for placing advertisements and seeking formal offers in line with the procurement methodology approved in the acquisition plan. A Procurement Officer will act as the contact person for the approach to the market and will manage communication with suppliers and the project team. This includes the release of addenda as a result of changes to market approach documents and requests for clarification or additional information.

Extension to market approach periods can only occur in exceptional circumstances and must not compromise the integrity of the procurement process. All extensions must be approved by the Chief Procurement Officer and be applied equally to all applicable suppliers.

## Market closing stage and late offers

The Procurement and Contracting Unit manage the market closing stage. This includes opening supplier offers, ensuring compliance to any mandatory criteria, coordinating a handover, and forwarding offers along with handover documentation to the evaluation team.

If an offer is not received by the due date and time, it is considered to be a late offer and can only be considered when it can be clearly demonstrated that there were exceptional circumstances. These may include:

- a fault with the SA Tenders and Contracts website

- a fault in the department's receiving arrangements for offers
- a fault outside the control of the supplier (natural disaster, major security incident, e-delivery system downtime).

Late offers can only be accepted subject to approval by the chair of the PGC, the Chief Procurement Officer or the Deputy Chief Procurement Officer, and only if it can be clearly demonstrated that accepting the late offer will not compromise the integrity and competitiveness of the procurement process.

## Evaluation stage

The evaluation of responses is a critical stage in identifying the best value for money solution. The process must ensure probity and transparency and be clearly documented to support decisions made.

### Conflict of interest declaration

All participants in the procurement evaluation process must complete a conflict of interest declaration and confidentiality agreement before receiving the offers for evaluation. Any actual, potential, or perceived conflict of interest identified before, during or at the end of the evaluation process must be documented and managed by the Chair of the evaluation team.

### Evaluation methodology

The evaluation of offers must follow the process outlined in the approved acquisition plan or evaluation plan. A Procurement Officer will provide support throughout the evaluation process and instruct the team on the scoring method and requirement to keep detailed comments and notes.

Suppliers should be kept up to date with the evaluation process and must be contacted if there are any delays.

### Mandatory evaluation criteria assessment

If there are any mandatory criteria, these are to be assessed first on a pass or fail basis. Partial or non-compliance to the mandatory criteria means the supplier's offer will not progress unless a variation to the evaluation methodology is approved by the CPO.

### Weighted evaluation criteria scoring

The Procurement Officer will distribute the offers and approved scoring system to the members of the evaluation team for individual scoring against the weighted criteria. Once this has occurred, the team will meet to discuss responses and to reach a consensus score for all offers. The Procurement Officer will document the reasons for the consensus scores. At the completion of the scoring, a weighted total for each supplier will be calculated.

### Clarification

Clarification may be required if an offer is ambiguous or unclear. Clarification must be obtained and

documented by the Chair of the evaluation team. Once the clarification has been received, the team should meet to reassess the results of the clarification and adjust any scores, if required.

## SAIPP

If the SAIPP applies, the Procurement Officer will verify and score IP Plans and provide a copy of signed IP Plans to the OIA for final negotiation in line with the [Industry Advocate Act 2017 \(SA\)](#).

## Whole of life cost and value for money

Assessment of price to produce a cost ratio will be as follows:

- the offer with the overall lowest whole of life cost will be divided by the cost presented by all other offers and multiplied by the price weighting
- the value for money determination is made by incorporating the qualitative and cost score to produce an overall value for money score

This score will be used to determine whether a supplier will be shortlisted for further negotiation. Where a natural break occurs, suppliers above the break are to proceed to the next stage.

## Risk and financial viability assessment

Where required, a risk assessment will consider all risk aspects of a shortlisted supplier's offer. The evaluation team will assess, discuss, and document any significant risks identified in the offer. Any offer considered to be high risk may be excluded from further consideration.

## Presentations and referee checks

The evaluation team may invite a shortlisted supplier to make a presentation of their offer to the evaluation team. All questions and answers at a presentation should be documented. The team may also contact any nominated referees of each shortlisted supplier, for which the team will have developed a standard list of questions.

## Negotiations

A negotiation plan must be prepared for all negotiations for complex and strategic procurements. Any negotiation plan must be approved by the Chief Procurement Officer, or referred to the PGC for approval, if required, before negotiations start. Negotiation proceedings must be documented to provide transparency and a clear audit trail.

Effective negotiation achieves better results in terms of price and also improved overall value for money. For more guidance, see DTF's [negotiation guideline](#).

## Purchase recommendation

Based on the classification of the procurement determined by the procurement initiation and complexity assessment, either complete a [routine purchase recommendation \(DOCX 1.5MB\)](#) or a [purchase](#)

[recommendation \(DOCX 1.6MB\)](#).

A purchase recommendation (or routine purchase recommendation) is developed by the Chair of the evaluation team in consultation with the Procurement Officer. The purchase recommendation summarises the outcome of the market approach and evaluation process undertaken. The document identifies a recommended supplier (or suppliers if applicable) for approval and provides justification to support the chosen supplier in addition to any reasons for passing over lower offers. The document details the level of compliance with the acquisition plan, highlights any departures and identifies the residual risks to the Minister that have not been mitigated through the market approach.

The purchase recommendation (or routine purchase recommendation) must be signed by all members of the evaluation team to confirm the conflict of interest declarations and demonstrate it is a true reflection of the procurement process. If there have been conflicts of interest, the approach to manage these must be outlined.

The purchase recommendation (or routine purchase recommendation) will be approved by the delegate outlined in the acquisition plan. A supplier cannot be recommended if it is assessed that their offer will not achieve the desired outcome of value for money. This may result in no contract being awarded.

If a non-South Australian supplier is recommended where there are South Australian suppliers that could supply the good or service, the purchase recommendation (or routine purchase recommendation) must be approved by the Chief Executive. This approval cannot be delegated unless the procurement is undertaken via an open market approach and a South Australian supplier does not submit an offer. In this instance, the purchase recommendation can be approved in line with the department's [procurement authorisations register \(XLSX 3.4MB\)](#).

The purchase recommendation (or routine purchase recommendation) must include reference to the acceptance or non-acceptance of a late offer and capture lessons learnt for future procurements. The purchase recommendation must be approved prior to the awarding of the contract and notifying suppliers of the outcome.

## Departures

Any process or action during a procurement that is not in line with DTF's [planning policy](#) or [sourcing policy](#) is a departure. If a process or action during a procurement is not in line with the sourcing strategy approved in the acquisition or evaluation plan, it is also a departure.

All departures must be managed in accordance with DTF's [sourcing policy](#). The nature of the departure and stage of the procurement process at which the departure occurs will determine the course of action and approval required to apply the deviation.

All departures must be included in the purchase recommendation for noting and approval by the appropriate delegate. Any departures will be captured by the Procurement and Contracting Unit and recorded in a departures register within PARS. For more information about managing departures, contact the Procurement and Contracting Unit.

## Office of the Industry Advocate requirements

If an IP Plan has been submitted, the process and outcomes of any negotiations entered into between the

OIA and the supplier must also be included. Following the approval of the purchase recommendation, the OIA must be notified of the successful supplier(s) and the term of the contract.

## Contract award, development, and execution

### Routine procurements valued below \$550,000 (GST inclusive)

For all routine procurements valued below \$550,000 (GST inclusive), once approval has been received to purchase, prepare the purchase order, agreement, or contract as per the nominated method in the approved routine purchase recommendation. Any exemptions to this are outlined in the [purchase order exemption procedure \(PDF 168KB\)](#).

### All procurements valued above \$550,000 (GST inclusive) or strategic of any value

For all procurements valued above \$550,000 (GST inclusive), the Procurement and Contracting Unit is responsible for managing the development and execution of the contract(s). The final contract should be the contract that was released in the market approach documentation along with any negotiated terms and conditions.

The [standard goods and services agreement \(DOCX 100KB\)](#) can be used, as far as practical, for routine and complex procurements. The Crown Solicitor's Office (via Legal Services) must be consulted to develop a bespoke contract for all strategic procurements and where it is not considered appropriate to use the standard goods and services agreement or standard not-for-profit sector funded services agreement for routine and complex procurements. The standard not-for-profit sector funded services agreement must be used for all routine procurements with the NFP sector where up-front funding is provided to the NFP provider. This is not to be used for grant funding agreements, which are covered by the [funding agreement policy \(PDF 242KB\)](#).

For ICT related procurements, employees will consider whether the department can leverage its purchasing power to require the supplier to agree to the department's preferred contracting terms. Employees will also consider whether the operational risk to the department, the strategic importance and the value of the procurement warrants the department seeking legal advice about the appropriate contractual terms. For more detail about suitable standard government agreements, see DTF's [sourcing policy](#).

A summary of the procurement classifications and suitable agreements for use is outlined in the below table:

	Transactional	Routine	Complex	Strategic
<b>Standard Purchase Order</b>	Suitable	Not suitable	Not suitable	Not suitable
<b>Standard Goods and Services Agreement</b>	Suitable	Suitable	Suitable	Not suitable
<b>Standard not-for-profit Sector Funded Services Agreement</b>	Suitable	Suitable	Suitable	Not suitable
<b>Bespoke contract/agreement</b>	Not suitable	Suitable	Suitable	Suitable

Contract performance measures incorporated into the contract should be linked to the original procurement objectives documented in the acquisition plan. The performance measures must be outcomes focused, where applicable, understood by all parties and measured objectively.

All contracts must be approved and executed in compliance with [Treasurer's Instruction 8](#) and the department's [contract delegations schedule \(XLSX 3.5MB\)](#).

The procurement record in the department's contract register and DTF's PARS must be finalised by the Procurement Officer.

## Supplier debrief

Suppliers that submitted an offer must be advised of the outcome in writing and given the opportunity to receive feedback on their submission. A formal debrief must be conducted, if requested. This process will be undertaken by the Procurement Officer in conjunction with the evaluation team.

## Post sourcing review

For all complex and strategic procurements, a post sourcing review must be completed by the Procurement Officer within 60 days of the purchase recommendation approval date. This will assess the overall performance of the procurement process, including the strengths and weaknesses of the process and will identify potential improvements for future processes. The review will be submitted to the CPO for endorsement.

## Contract disclosure

Any contract with a value greater than \$500,000 (GST inclusive) must be disclosed on [SA Tenders and Contracts](#) within 60 days of contract execution. Consultant contracts must always be disclosed, regardless of value.

Exemption from disclosure is only permitted when there are compelling reasons why a contract should not be made public and one or more of the following apply:

- genuinely confidential business information
- defence and national security information
- trade secrets or intellectual property
- public interest
- legal risk.

Disclosure must be in line with [DPC Circular 027 – Disclosure of Government Contracts](#).

## Contract handover and complexity assessment

For all routine, complex, and strategic contracts, a contract handover is required to be completed by the Procurement Officer with support from the Contract Manager. This will include an assessment of the complexity of the contract. For more information on the contract handover and complexity assessment, see



the [contract management procedure \(PDF 211KB\)](#).

## Contract management and evaluation

The [contract management procedure \(PDF 211KB\)](#) and [contract extensions and variations procedure \(PDF 170KB\)](#) provide guidance to support employees managing contracts. These ensure compliance with DTF's contract management requirements, including managing variations and extensions to contracts.

## Panel contracts

A panel contract, or panel arrangement, is a contractual arrangement created with at least 2 or more suppliers for the anticipated provision of goods or services, as and when required over a specified period of time.

Standard procurement principles including industry participation apply to establishing panel contracts.

The set of rules for selecting suppliers from the panel, in addition to the replacement or removal of suppliers, must be documented in the purchase recommendation. The panel contracts must also include the right to remove panel members or goods and services as circumstances arise.

During the development of a panel contract, the procurement strategy and supporting documentation should clearly detail the parties to the contract and whether the utilisation of the panel is mandatory or optional for these parties. The documentation should not raise expectations regarding the volume of work available through the panel and offer no commitment to undertake a specified volume of purchases during the contract period.

Secondary procurement processes under a panel contract must be undertaken in line with the approved strategy documented in the purchase recommendation. The requirement to receive CE approval to contract with a non-South Australian business does not apply to secondary procurement processes, where the contract is awarded under established panel rules. Where a process is not documented, all secondary procurements under a panel must be undertaken and approved in line with the department's standard procurement processes.

For the establishment of any new mandated panel arrangements or supplementation of current panel arrangements, approval from the CE must be obtained if one or more of the recommended suppliers are non-South Australian businesses. This cannot be delegated unless it can be clearly demonstrated that there are no South Australian businesses able to supply the goods or services.

## Panel industry participation policy requirements

As part of the draft acquisition plan review for panel arrangements, the OIA will advise of the industry participation process required for the panel. This may be:

- Stage 1: A Statement of Intent is completed as part of the initial panel tender response.
- Stage 2: A standard IP Plan or tailored IP Plan is completed for any secondary procurement process above \$550,000 (GST inclusive) and a minimum 15% weighting must be applied as a component of the overall evaluation criteria.

# Exceptions to quotations and tender requirements

## Purchases from across government or lead agency contracts

The prescribed market approach process may not be required for purchases from across government or lead agency contracts.

In these cases, an initial procurement process (the primary procurement process) will have already been undertaken. Further procurement processes under these contracts would be classified as secondary procurements and may not be subject to the same requirements as the initial process.

In some cases, a panel contract or lead agency contract may be mandated for certain agencies, or for all agencies. This will negate the need for alternative quotes to be sought from other suppliers. See DTF's [listing of across government contracts](#) for more information, or submit a request through [edProcure](#) for additional information or guidance.

## Procurements from registered South Australian Aboriginal businesses

A modified procurement process exists for purchasing goods and services from registered South Australian Aboriginal businesses, as defined in section 4.7 of OIA's [IPP procedural guidelines](#).

The IPP guidelines enable the department to procure goods and services valued up to and including \$550,000 (GST inclusive) from an [eligible Aboriginal business](#) by seeking at least one quote. The [South Australian Product and Services Register](#) provides centralised information regarding South Australian Aboriginal businesses. The procurement must demonstrate value for money and must include a routine acquisition plan and routine purchase recommendation.

If there is conflicting information between the South Australian product and service register and across government or lead agency contracts, the directives associated with the across government or lead agency contracts will prevail.

## Use of established government facilities

Established government facilities are government owned and managed agencies, organisations, entities, or statutory authorities that can provide goods or services to other areas of government.

Business units are required to consider whether their needs can be met using an established government facility. If the needs can be met and value for money achieved, the established government facilities should be utilised without undertaking a competitive process. Appropriate documentation and financial authorisation are still required in these instances.

Submit a request through [edProcure](#) for additional information and advice.

# Roles and responsibilities

## Managers

Ensure staff undertaking procurement processes are sufficiently informed about relevant procurement policies and guidelines.

Take reasonable steps to make sure staff are fully informed of legislative, government and department requirements of the procurement of goods and services.

Managers include executive directors, directors, assistant directors, education directors, principals and supervisors.

## Employees

Employees that are required to undertake procurement functions on behalf of their business unit should familiarise themselves with and keep up to date with legislation, across government and internal requirements.

## Procurement and Contracting Unit

Implement this procedure and ensure that education employees are informed of their responsibilities in relation to procurement activities.

Provide support to business units in undertaking procurement processes commensurate with complexity, value, and internal capability of the employees.

Monitor and evaluate the effectiveness of the procedure through an annual review.

## Definitions

### business unit

Is a catch-all term to refer to all non-school, corporate, and ancillary functions within the department.

### complexity assessment

An assessment undertaken prior to the procurement planning process and contract handover stage to determine the category of the procurement and contract, and the department's requirements to effectively manage the procurement process and contract management activities.

### major project

Any building, construction, or civil works project valued above \$50 million (GST inclusive), which must be

approved by the Chief Executive.

## minor works

Any construction or building project valued up to \$165,000 (GST inclusive).

## forward procurement plan

The plan that captures and informs prospective suppliers about all future procurements valued above \$55,000 planned within the next 24-month period.

## Procurement Activity and Reporting System (PARS)

The system administered by Procurement Services SA for the collection of procurement and contract data.

## Procurement Governance Committee

A committee consisting of senior department executives who are responsible for the oversight of procurement activity and supporting the Chief Executive in procurement governance, decision making and strategy development.

## specification

A detailed description of the goods and services which defines the functional, technical, performance and outcomes-based objectives of the procurement.

## South Australian business

A business is considered South Australian in relation to procurement if the business operates in South Australia, and more than 50% of the workforce to deliver the contract on behalf of the business are residents of South Australia.

## value for money

The achievement of a desired procurement outcome based on the optimal balance of whole-of-life costs and qualitative factors.

# Supporting information

## Related legislation

[Public Finance and Audit Act 1987 \(SA\)](#)

[Treasurer's Instruction 18](#)

## Related policies

[Procurement governance policy \(PDF 255KB\)](#)

[Contract management procedure \(PDF 211KB\)](#)

[Managing risk in procurement procedure \(PDF 168KB\)](#)

[DTF procurement governance policy, planning policy, sourcing policy, contract management policy](#)

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## Contact

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[Ask your question or lodge a request through edProcure.](#)