



# Procurement Governance Policy

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## 1. Purpose

This Procurement Governance Policy provides Department for Child Protection (DCP) personnel information regarding the required procurement principles, delegated authorities, policy requirements and related documents and reference information, when undertaking procurement activities for DCP.

## 2. Scope

Compliance to this policy is mandatory for all DCP employees including contractors, who are involved in the acquisition of goods and services and associated activities, regardless of value. Procurement activities include, but are not limited to:

- seeking and receiving offers (tenders and quotations)
- evaluating offers
- negotiating contracts
- awarding contracts
- managing contracts
- engaging suppliers (through purchase requisitions/purchase orders).

This policy aligns to the requirements as set out by the Department of Treasury and Finance [Procurement Services SA](#) (DTF PSSA) governing Procurement Framework. All dollar values within this policy are to be read as GST inclusive.

The policy encourages the use of South Australian Aboriginal Businesses where possible, in accordance with the [South Australian Industry Participation Policy](#) and the DCP [Aboriginal and Torres Strait Islander Procurement Policy](#).

## 3. Authority

### 3.1 Legislative context

- This governance policy and all associated procurement activities is underpinned by the following legislative requirements:
- [Treasurer's Instruction 8, 11, 17 and 18](#), issued by the Treasurer under the authority of Section 41 of the [Public Finance & Audit Act 1987](#)
- [Industry Advocate Act 2017 Part 3, section 6\)](#)
- [Emergency Management Act 2004](#)
- [Family and Community Services Act 1972 Part 2, Division 3 – Contracts for Services\)](#)

### 3.2 Whole of Government requirements

- [South Australian Industry Participation Policy](#)
- [Premier and Cabinet Circulars](#) – 27, 38 and 44



- [DTF Procurement Services SA Policies, Guidelines and Templates](#)
- [Across Government Contracts](#)

### 3.3 DCP requirements

- [DCP Strategic Plan](#)
- [Procurement Governance Framework](#)
- [Contract Management Framework](#)
- [Aboriginal and Torres Strait Islander Procurement Policy](#)
- [Procurement sourcing Procedure](#)
- [Procurement and contracting engagement Procedure](#)
- [Managing risk in procurement Procedure](#)
- [Supplier complaints in procurement Procedure](#)
- [Financial authorisations Procedure](#)
- [Procurement Complexity and Capability Assessment Procedure](#)

### 3.4 Principles

Procurement activities undertaken within DCP seek to advance the DTF PSSA procurement key principles, and extend to upholding the following principles:

- The safety of children and young people is the paramount consideration and DCP will put their needs at the centre of procurement and contracting practices.
- DCP will ensure procurements are aligned with its strategic objectives.
- DCP will seek to achieve value for money in every procurement it undertakes.
- DCP will maximise opportunities for South Australian businesses through the application of the [South Australian Industry Participation Policy](#) (SAIPP).
- DCP will maximise the use of South Australian Aboriginal businesses through the application of the SAIPP and DCP's [Aboriginal and Torres Strait Islander Procurement Policy](#).
- DCP will promote innovation through outcomes-based procurement.
- DCP will ensure an Aboriginal Impact Statement (AIS) is completed as part of the procurement process where required.

## 4. Policy requirements

### 4.1 Procurement process

All procurement activities should aim to achieve optimum value for money by taking into account the best possible combination of outcomes, price, quality, risk and any other relevant factors. It is important to acknowledge that value for money should not solely consider the cost of any procurement.

In determining the monetary value of a procurement, the total maximum contract cost should be considered, including whole of life costs and all contract extension options. It is unacceptable to split the cost of a procurement process to circumvent approval requirements.

Information privacy considerations should be made when developing an appropriate procurement methodology.

Standard templates must be used for all procurement processes wherever possible, conforming with minimum requirements set out within DTF and DCP policies and guidelines/procedures. Templates will be made available by the Procurement and Contracting Unit.



Business units should comprehensively consider their requirements prior to initiating a procurement process. Representatives must complete a [Procurement Initiation Form](#) and submit this to the Procurement and Contracting unit, accompanying a detailed draft specification, to assist in the definition of their requirements. Where engagement with internal and/or external stakeholders is required, consideration should be given to the [Procurement and contracting engagement Procedure](#).

#### 4.1.1 Procurement up to and including \$55,000

A minimum of one written quote should be obtained and recorded at local level, ensuring that potential suppliers have an appropriate amount of information on which to base their quote.

The purchase may be formalised via the raising of a Basware Purchase Order and is encouraged. Transactions may alternately be paid upon the receipt of a correctly rendered, and Australian Tax Office compliant invoice or by Purchase Card.

Further information is available within the [Accounts payable Policy](#) and the [Purchase Card Procedure](#).

#### 4.1.2 Procurement above \$55,000

DCP has implemented a complexity based approach to sourcing activities above \$55,000, which is determined during procurement planning activities by undertaking a formal complexity assessment (refer to [section 4.2](#)).

The sourcing strategy adopted will be dependent on the outcome of the complexity assessment and will follow the principles outlined in the DTF [Sourcing Policy](#) and the DCP [Procurement Sourcing Procedure](#). The DCP Procurement Sourcing Procedure provides further instruction relating to:

- procurement planning
- preparing to approach the market
- approaching the market
- evaluating offers and supplier selection
- contract negotiation and award
- procurement outcome approvals
- handover to contract managers.

#### 4.1.3 Delegated authority

DCP's procurement authority ultimately vests with the Chief Executive. The Chief Executive has created and sub-delegated procurement authority to individual officers as per the [Financial authorisations Procedure](#).

Contractual (or contract execution) authority is unique and differs from both expenditure and procurement authority. Further information regarding delegations is contained within the [Financial Authorisations Register](#).

### 4.2 Complexity and capability assessments

DCP undertakes complexity and capability assessments in accordance with the DTF [Complexity and Capability Assessments Guideline](#), and have developed a [Procurement Complexity and Capability Assessment Procedure](#) and Procurement Complexity Assessment Tool to support this activity.

The complexity of each procurement will be assessed early in the procurement planning process. The assessment will be undertaken by a member of the Procurement and Contracting Unit in consultation with



internal stakeholders and representatives of the business unit. The result of this assessment will determine the activity and level of detail required throughout the process.

The complexity assessment will consider a broad range of factors including risk, total cost of ownership and market dynamics associated with the procurement activity.

The complexity assessment will classify the procurement and contract management process as either:

- Transactional (only if under \$55,000)
- Routine
- Complex
- Strategic.

Where a dedicated procurement resource is allocated to a process, the capability of the allocated personnel will be considered by the Manager Procurement and Contracting during the allocation process. This consideration will consider the complexity of the procurement, the classification and availability of procurement personnel and areas for professional development. Where staff are allocated to manage a complex or strategic process, it will be ensured all DTF PSSA [mandated training](#) has been completed prior to staff allocation.

### 4.3 Risk assessment and management

Regardless of monetary value, the risk of any procurement process should be considered, in accordance with the DCP [Risk Assessment Framework](#) and the [Managing Risk in Procurement Procedure](#).

DCP will undertake a risk assessment for all procurements valued above \$55,000. The risk assessment will identify and document the:

- identified risk(s) associated with the procurement and the relative goods or service
- potential impact/consequences of the risk(s)
- likelihood of the risk(s) occurring
- existing controls
- proposed mitigation and/or treatment of the risk(s)
- residual risk rating(s).

The risk assessment will be used to determine the overall risk level of the procurement as part of the procurement planning process. The risk assessment will be commensurate with the value and complexity of the procurement.

For all complex and strategic procurements a Risk Management Plan will be prepared and attached to the acquisition plan. The risk management plan will be prepared by the procurement lead in consultation with the business unit contact.

### 4.4 Contract management

Management of all executed agreements must comply with the DCP [Contract Management Framework](#). It is encouraged that future contract management requirements be considered at the commencement or prior to the commencement of a procurement process.

### 4.5 South Australian Industry Participation Policy

DCP are required to comply with the [South Australian Industry Participation Policy](#) and the supporting [Procedural and Reporting Guidelines](#).



All procurements will consider opportunities for small, start-up and Aboriginal Businesses and Aboriginal Community Controlled Organisations operating in South Australia with a view to involving South Australian business in the opportunity through provision of a quote or tender. DCP will seek at least one quote or tender from a business based in South Australia (or a business based in the region in the case of a regional procurement) for any procurement above \$55,000 to SAIPP Plan thresholds.

As detailed within the DTF [Procurement Planning Policy](#), if DCP cannot identify a South Australian based supplier to seek a quote from, the procurement will be advertised as an open tender on SA Tenders and Contracts for a minimum period of 14 calendar days (unless a limited sourcing arrangement has been approved by the authorised person).

Further information can be found on the SAIPP [website](#) and within the [Procurement Sourcing Procedure](#).

#### 4.6 Purchase from the Not for Profit (NFP) sector

DCP staff must comply with the [Department of the Premier and Cabinet Circular 44 – South Australia Funding for the Not for Profit](#) sector when undertaking relevant procurement processes in order to provide a consistent approach to funding NFP suppliers, reduce administrative burden and strengthen collaborative partnerships between the government and the sector.

DCP should refer to the DTF [Not-for-Profit Quality Assurance Framework Guideline](#) for further assistance.

Relevant policy statements regarding NFP sector procurement and standardised DCP specifications for the provision of out of home care shall be complied with during all relevant procurement processes within the NFP sector.

#### 4.7 Unsolicited proposals

An unsolicited proposal is a unique or innovative method, concept, approach or idea submitted to a public authority from a private entity (either for profit or not-for-profit), not in response to a formal request and not readily available in the marketplace.

Unsolicited proposals valued in excess of \$1.1 million will be managed in accordance with the DTF [Unsolicited Proposals Schedule](#) and [Premier and Cabinet Circular 38](#). Proposals valued under \$1.1 million may be managed in accordance with [Procurement Sourcing Procedure](#) unless there is a compelling reason to utilise the Unsolicited Proposals process.

#### 4.8 Ethical procurement practices

All public sector employees must act in accordance with the [Code of Ethics for the South Australian public sector](#) at all times, including during all procurement processes.

DTF has issued a [Probity and Ethical Procurement Guideline](#) which prescribes the process for public authorities to investigate suspected unethical procurement practices and seek to resolve them. Where an unethical procurement practice is suspected, the Procurement and Contracting Unit should be notified in order to determine an appropriate course of action.

Procurement processes should seek to achieve and encourage socially responsible and ethical outcomes wherever possible. Where relevant, the social responsibility of respondents should be considered as a portion of the evaluation process.



## 4.9 Sustainable procurement

Sustainability in procurement terms considers social, economic and environmental factors when procuring goods and/or services.

It is a practice whereby organisations meet their supply needs in a way that achieves value for money on a “whole of life” basis; in terms of generating benefits not only to organisations, but also to the community and the economy, whilst minimising damage to the environment.

Consideration should be given to the following DTF guidelines when undertaking procurement activities:

- [Green Procurement Guideline](#)
- [Whole-of-Life Costing Guideline](#)
- [Value for Money in Procurement Guideline](#).

Where relevant, DCP will consider sustainable procurement elements when undertaking procurement activities.

## 4.10 Contract disclosure

[Premier and Cabinet Circular 27 – Disclosure of Government Contracts](#) (PC027) requires public disclosure of information relating to certain contracts involving government expenditure. This policy classifies contracts as either “Eligible” or “Significant” according to prescribed definitions.

The DCP Procurement and Contracting Unit will facilitate the disclosure process via the SA Tenders and Contracts website following the execution of an agreement and in accordance with PC027.

Exemptions to PC027 may be approved by the DCP Chief Executive on prescribed grounds, as set out within the circular.

## 4.11 Emergency procurement

Where an emergency as defined within the [Emergency Management Act 2004](#) is declared, DCP may amend procurement practices to ensure ongoing provision of critical and core functions.

In the case of a declared emergency, the provision of the DTF [Emergency Situations Procurement Schedule](#) or similar emergency-specific declarations will be followed for any affected procurement activity.

## 4.12 Supplier complaints

Timely investigation and resolution of complaints regarding the procurement process is an essential requirement for maintaining good relationships between the Procurement and Contracting Unit, DCP and suppliers.

Formal complaints regarding the procurement process will be managed in accordance with the DTF [Supplier Complaints Schedule](#) and DCP [Supplier complaints in procurement Procedure](#).

## 4.13 Reporting obligations

DCP will adhere to the requirements of the DTF [Reporting Schedule](#), utilising the across government [Procurement Activity Reporting System](#) (PARS) as required. Reports will be submitted in relation to the following elements, at intervals prescribed by the DTF [Reporting Schedule](#):

- Procurement and Contracting activity (utilising PARS functionality)



- Consultancy Engagements
- Contract Management
- Financial Reporting
- Operational Reporting.

#### 4.13.1 Forward Procurement Planning

Annual Forward Procurement Plans will be submitted to the DCP Chief Executive and the Senior Executive Group (SEG) for review and approval prior to submission.

The Forward Procurement Plan will be submitted to DTF by 1 July each year, following approval by the DCP Chief Executive or DCP delegate. The Forward Procurement Plan will include all planned procurement activity in excess of \$55,000 over the next 24 months and all known forecast procurements for construction projects above \$10,000,000 for the next 36 months.

Additional procurement activity in excess of \$55,000 will be recorded on PARS at least three months before approaching the market, unless the Chief Executive (or DCP procurement delegate) approves that the procurement is an urgent pressing need that could not have been foreseen.

Approval to amend the Forward Procurement Plan (excepting general updates reflecting the progression of a procurement process or cancellation of a procurement where it has been identified there is no longer a need to procure the goods or services) will be sought from the Chief Executive or an approved sub-delegate.

The Chief Executive may provide approval for the exclusion of specific procurement activity from public disclosure.

DCP will adhere to the internal and external review of its procurement function as prescribed by the DTF [Procurement Governance Policy](#) and DTF [Procurement Planning Policy](#).

Performance reporting will be provided to SEG on a quarterly basis, including areas relating to continuous improvement and capability as required.

#### 4.14 Screening obligations

DCP staff are required to ensure that any contractor/s and/or its personnel (third party provider) engaged to provide services to DCP have appropriate Working with Children Checks in place, as outlined within the [Working with Children Checks Procedure](#).

#### 4.15 Communication of updates

Communication with suppliers and service providers during procurement processes, contract management activity and outside of the procurement cycle will be governed by the DCP [Procurement and Contracting Engagement Procedure](#). Specific strategies relating to engagement within an individual procurement process will be detailed within the applicable acquisition plan (or relevant document).

### 5. Compliance, monitoring and evaluation

The suitability of this policy will be subject to review as part of the [Procurement Governance Framework](#) annual review in accordance with [Treasurer's Instruction 18](#). The Manager, Procurement and Contracting will conduct the review on behalf of the Chief Financial Officer and in compliance with DCP's [Policy Governance Framework](#).



## 6. Related documents

Related documents, forms and templates
<a href="#">Treasurer's Instruction 8, 11, 17 and 18</a>
<a href="#">Public Finance &amp; Audit Act 1987</a>
<a href="#">Industry Advocate Act 2017</a>
<a href="#">Emergency Management Act 2004</a>
<a href="#">South Australian Industry Participation Policy (SAIPP)</a>
<a href="#">SAIPP Procedural Guidelines</a>
<a href="#">Premier and Cabinet Circulars – 27 and 44</a>
<a href="#">DTF Procurement Services SA Policies, Guidelines and Templates</a>
<a href="#">Across Government Contracts</a>
<a href="#">Code of Ethics for the South Australian public sector</a>
<a href="#">DCP Strategic Plan</a>
<a href="#">Procurement Governance Framework</a>
<a href="#">Contract Management Framework</a>
<a href="#">Aboriginal and Torres Strait Islander Procurement Policy</a>
<a href="#">Procurement and contracting engagement Procedure</a>
<a href="#">Managing risk in procurement Procedure</a>
<a href="#">Supplier complaints in procurement Procedure</a>
<a href="#">Procurement sourcing Procedure</a>
<a href="#">Procurement Complexity and Capability Assessment Procedure</a>
<a href="#">Financial authorisations Procedure</a>
<a href="#">Financial Authorisations Register</a>
<a href="#">Procurement Initiation Form</a>
<a href="#">Risk Management Framework</a>
<a href="#">Performance measurement Specification</a>



<a href="#">Working with Children Checks Procedure</a>
<a href="#">Policy Governance Framework</a>
<a href="#">Accounts payable Policy</a>
<a href="#">Purchase Card Procedure</a>
<a href="#">Gifts and Benefits Policy</a>

## Document control

<b>Reference No./ File No.</b>			
<b>Document Owner</b>		<b>Lead Writer (position)</b>	
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REVISION RECORD		
Approval Date	Version	Revision description
February 2018	1.0	Document creation
December 2018	1.1	References to Procurement and Contract Management Governance Committee updated to Procurement and Contract Management Governance Committee (PCMGC).
August 2019	1.2	Content update and refinement, implementation of State Procurement Board assurance process action items
August 2019	2.0	Content and template reworked, State Procurement Board accreditation action items included.
7 May 2021	3.0	Revision to reflect whole of government procurement reform.
1 July 2022	4.0	Review to embed: <ul style="list-style-type: none"> <li>DTF Procurement Services SA compliance assessment continuous improvement recommendations;</li> <li>Updated hyperlinks and document references; and to extract detailed sourcing process information to include in a new DCP Sourcing Procedure.</li> </ul>
6 September 2024	5.0	Review to embed DTF Procurement Service SA updates to Treasurer Instruction 18 – Procurement, on February 2023, and associated PSSA policy and procedures document.