



Procurement Process Approvals Guideline

Introduction

This guideline is issued by the Procurement Oversight Committee (“**POC**”) in accordance with its authority under the Department of the Premier and Cabinet (“**DPC**”) *Procurement Governance Policy* (“**Governance Policy**”).

The purpose of this guideline is to define the requirements within DPC’s Internal Procurement Framework (IPF) for obtaining formal approval of procurement proposals and processes.

Scope

Subject to the exemptions detailed in *Governance Policy*, this guideline applies to all employees of DPC. Divisions and branches may adopt procedures in addition to, but not in contradiction to, the minimum requirements defined in this guideline.

Government Procurement Requirements

This guideline should be read in conjunction with Procurement Services’ SA (PSSA) *Procurement Planning Policy*.

Refer to DPC Financial Authorisations in determining who is an appropriate procurement authority delegate.

Procurement Approvals

The approval requirements for the procurement process are dependent on the value (total potential value including all options and GST inclusive) of the proposed contract. All values referred to in this guideline are inclusive of GST.

The following approval categories apply to procurement operations within DPC:

Category 1: Low value procurement (less than or equal to \$55,000)

An acquisition plan and purchase recommendation is not required, however, it is expected that value-for-money outcomes will be pursued in the procurement of goods and services. Undertake purchase with minimal effort and paperwork.

In the majority of cases, a minimum of one (1) written quote is required.

Category 2a: Simplified Procurement (\$55,001 to \$220,000)

A **Simplified* DPC Acquisition Plan must be approved by the appropriate procurement authority delegate prior to the market approach. A **Simplified* DPC Purchase Recommendation must be

approved by the appropriate procurement authority delegate after completion of the market and evaluation process.

* *Simplified* refers to just those sections within DPC's Acquisition Plan and Purchase Recommendation Templates that are mandatory under PSSA's *Procurement Planning Policy and Sourcing Policy*. See templates for further details.

A minimum of three (3) written quotes with at least one quote from a South Australian supplier must be sought where possible and appropriate. A brief justification for the selection of suppliers should be included in the acquisition plan.

If three suppliers cannot be identified with one being a South Australian based supplier to seek a quote from, the procurement must be advertised as an open tender on SA Tenders and Contracts for a minimum period of 14 calendar days.

Category 2b: Simplified Procurement (\$220,001 to \$550,000)

A *Simplified* DPC Acquisition Plan must be submitted to and endorsed by the POC and then approved by the appropriate procurement authority delegate.

After completion of the market and evaluation process, a *Simplified* DPC Purchase Recommendation must be submitted to and endorsed by the POC and then approved by the appropriate procurement authority delegate.

A minimum of three (3) written quotes with at least one quote from a South Australian supplier must be sought where possible and appropriate. A brief justification for the selection of suppliers should be included in the acquisition plan.

If three suppliers cannot be identified with one being a South Australian based supplier to seek a quote from, the procurement must be advertised as an open tender on SA Tenders and Contracts for a minimum period of 14 calendar days.

A standard industry participation policy plan is optional for this category and where used must be completed in accordance with the requirements of the *South Australian Industry Participation Policy*.

Category 3: Complete Procurement (Above \$550,000)

A complete DPC Acquisition Plan must be submitted to and endorsed by the POC and then approved by the appropriate procurement authority delegate.

After completion of the market and evaluation process, a complete Purchase Recommendation must be submitted to and endorsed by the POC and then approved by the appropriate procurement authority delegate.

A standard industry participation policy plan is a mandatory requirement for this category and must be completed in accordance with the requirements of the *South Australian Industry Participation Policy*.

The Chief Executive, Department of the Premier and Cabinet must approve the acquisition plan and purchase recommendation (unless otherwise delegated) for all single source procurements (e.g. direct negotiations). Authority to approve the purchase recommendation for single source procurements may be delegated at the acquisition planning stage.

DTF's Procurement Review Committee (PRC) comprises a small number of senior public officers. The PRC provides strategic oversight of and reviews high-risk and/or high value acquisitions. The PRC is not a decision-making body, however, will endorse submissions or make recommendations

in line with the functions outlined in PSSA's *Procurement Governance Policy*.

The Chief Executive may request the PRC to undertake a review of any procurement activities or related matters.

For procurement projects valued greater than \$50 million, a tailored industry participation policy plan is a mandatory requirement and must be completed in accordance with the requirements of the *South Australian Industry Participation Policy*.

Category 5: Secondary procurement

Numerous contracts have been established throughout the South Australian government with provision for access by all agencies. A secondary procurement process, or accessing an established across government or lead agency contract, requires the same sound procurement planning and evaluation processes as applied to other agency procurement activity. Care should be taken to ensure that the pre-established contracts are used appropriately and that all proposed acquisitions are within the scope of the contract.

As many aspects of the procurement process have been determined in the development of the pre-established contract, a Simplified DPC Acquisition Plan, primarily focusing on the process to be adopted in selecting the preferred supplier, and a Simplified DPC Purchase Recommendation outlining the outcomes of the evaluation process are required.

The delegation to approve the acquisition plan and purchase recommendation for a secondary procurement process is dependent on the value of the proposed contract.

Limiting the number of suppliers

PSSA's *Procurement Planning Policy* includes legitimate reasons for limiting the number of suppliers and a legitimate reason must be included in the acquisition plan. Sufficient information must be provided in support of this reason.

The procurement authority delegate must not approve a limitation of the number of suppliers without appropriate justification being documented in the acquisition plan.

Aboriginal Economic Participation

The South Australian Industry Participation Policy encourages South Australian Government departments to support the Aboriginal economic participation strategy.

This strategy contributes to the sustainability and development of Aboriginal-owned business enterprises by enabling government departments to procure goods and services directly from businesses listed on South Australia's online Aboriginal business register, Aboriginal Business Connect, up to the value of \$220,000.

Business categories include: cultural training, accommodation and food services, administrative and business support, labour and equipment hire, and education and training.

The purchase of goods and services up to the value of \$220,000 from an eligible business may occur provided:

- at least one written quotation is obtained
- the process is in accordance with the requirements of SA Framework and DPC's IPF
- the offer demonstrates value in the expenditure of public money
- supplier capability and past performance is considered

Responsibilities

The Manager, Procurement and Grants is authorised to approve minor changes or updates to this guideline (e.g. reference to positions and related documents, dates, version control, formatting) provided that the amendments do not alter the substance or intent of the guideline.

Related Documents

- DPC Internal Procurement Framework (IPF)
- DPC Procurement Governance Policy
- DPC Financial Authorisations
- PSSA Procurement Governance Policy
- PSSA Procurement Planning Policy
- South Australian Industry Participation Policy

DOCUMENT CONTROL:

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Division: Procurement and Grants	Date of approval: 01/04/2021
Revision number: 1.1	Date of review: 23/6/2022
Next review date: 01/07/2023	
